

AUTORIDAD DEL CANAL DE PANAMÁ
EXECUTIVE VICE PRESIDENCY FOR OPERATIONS

ADVISORY TO SHIPPING No. A-09-2017

March 8, 2017

TO : All Shipping Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – FEBRUARY 2017

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	<u>275</u>
b. Pilots in Training	<u>0</u>
c. Tugs	<u>46</u>
d. Locomotives	<u>100</u>

2. Traffic Statistics:

	<u>Daily Average</u>	<u>High</u>	<u>Low</u>
Arrivals	34.86	46	24
Oceangoing Transits	35.11	40	32
Canal Waters Time (hours)	27.86	35.41	20.75
In-Transit Time (hours)	11.46	12.82	9.90

Oceangoing Transits:	<u>Total</u>	<u>Daily Average</u>	<u>Percentage</u>
Vessels of less than 91' beam	230	8.21	23.40%
Vessels 91' beam to under 107' beam	595	21.25	60.53%
Neopanamax Vessels (beam 107' and over)	158	5.64	16.07%
Total:	983	35.11	100%

Booking Slots:	<u>Available</u>	<u>Used</u>	<u>Percentage</u>
Neopanamax Vessels (beam 107' and over)	168	148	88.10
Large Vessels (91' to 107' beam)	420*	404* ¹	96.19
Regular Vessels (beam less than 91')	224*	184* ¹	82.14
Regular Vessels (up to 300' in length)	3	3	100.00
Auctioned booking slots	27	14	51.85

*Does not include additional auctioned booking slots

¹ Includes booked transits only

3. The following page provides the scheduled locks maintenance work and other items of interest to the shipping community.

4. This advisory will be canceled for record purposes on March 31, 2017.

ORIGINAL SIGNED

Esteban G. Sáenz
Executive Vice President
for Operations

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SCHEDULE OF LOCKS MAINTENANCE OUTAGES							
Dates	Days/Hrs.	Miraflores	Pedro Miguel	Gatun	Estimated Capacity[^]	Expected Booking Condition[^]	Status
17 February 2017	8 hours			East Lane *	30-32	1	Completed
24 March 2017	12 hours			West Lane **	28-30	1.a	Confirmed
7 April 2017	12 hours			West Lane **	28-30	1.a	Confirmed
21 April 2017	8 Hours			West Lane *	30-32	1	Tentative
9-18 May 2017	10 days			East Lane **	22-24	2	Tentative
15, 16 June 2017	5 hours per day			West Lane *	32-34	1	Tentative
20, 27 June 2017	4 hours per day		West Lane*		32-34	1	Tentative
21, 28 June 2017	5 hours per day		West Lane*		32-34	1	Tentative
11, 18 July 2017	4 hours per day		West Lane*		32-34	1	Tentative
12, 19 July 2017	5 hours per day		West Lane*		32-34	1	Tentative
1, 3 August 2017	4 hours per day	East Lane *			32-34	1	Tentative
15-24 August 2017	10 days	East Lane **			22-24	2	Tentative
12, 13 September 2017	5 hours per day	East Lane *			32-34	1	Tentative
15 September 2017	10 hours	East Lane *			28-30	1.a	Tentative

The normal transit capacity of the Panamax locks is 34-36 vessels per day, depending on vessel mix, neopanamax transits, and other factors. This capacity is reduced during locks maintenance work, as indicated in the above table. Consequently, vessels may experience delays in transiting. When the Panama Canal's capacity is expected to be reduced, a corresponding reduction in the number of available reserved transit slots may be ordered by the Canal Authority. Whenever a set of locks requires a major outage of one of its two lanes for dry chamber inspection, miter gate repairs, tow track work or other major maintenance/improvement projects, advantage may be taken to perform simultaneous single lane outages at other locks.

* In order to perform scheduled maintenance works

** In order to perform scheduled dry chamber works.

[^] Panamax locks

As Expanded Canal's Global Impact Grows, U.S. East Coast Ports Begin to Benefit

On September 3, 2007, the Panama Canal Expansion Program broke ground in impressive form, blasting explosives on Paraiso Hill to initiate work on the first-ever widening of the waterway. Today, as the newly operational expanded lane helps the Canal set monthly tonnage records, the impact of a project nine years in the making is now beginning to reap benefits.

But as impressive as this and other Canal milestones have been, the Expansion's effects are reverberating well beyond Panama's shores. Ports around the world are in various stages of work to deepen and widen their channels to accommodate the growing number of Neopanamax vessels that can now transit the Canal. As the

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Expansion nears its first full year of operation, some ports are already benefitting as a result, particularly those along the U.S. East Coast.

As it was for the Canal, January 2017 was also a record month for many U.S. East Coast ports, including the ports of Charleston, Philadelphia and Savannah, which recorded 28 percent, 34 percent and 16 percent container volume growth, respectively. For the Port of Charleston, its monthly cargo record follows an annual cargo record set in 2016, after handling 2 million TEUs.

The ports in Virginia and Baltimore also saw record breaking volumes in 2016. The Port of Virginia handled more than 2.65 million TEUs, a 4.2 percent increase compared to the prior year, while the Port of Baltimore handled more than 10 million tons of general cargo and a record number of containers. This growth can be attributed, in part to the Canal, which has and will continue to draw additional cargo volumes to the region, as ports continue to expand.

In Florida, PortMiami is 'Big Ship Ready', having completed more than \$1 billion in infrastructure improvements, including its Deep Dredge Project. The project was responsible for increasing Miami's channel depth up to 52 feet, and allowing the port to welcome its first Neopanamax vessel on July 9, 2016. Other ports, such as Virginia and Charleston, have plans to invest millions of dollars in dredging projects, infrastructure improvements and other work to enhance their logistics capabilities. The ports of New York and New Jersey recently announced plans to increase investments to \$200 million at the Port Elizabeth facility.

U.S. East Coast ports have not been the only ones to benefit from the Expansion. So far, the Panama Canal has welcomed 11 new services through the waterway as global shipping lines are redrawn to take advantage of the economies of scale the Canal provides. The ACP anticipates that, as this number continues to grow, so too will the Expansion's impact across the world.

"The Expanded Canal has had a global ripple effect on maritime trade," said Panama Canal Strategic Relations Manager, Marianela Dengo. "However, the true impact will be felt gradually over the long-term, and we're very excited for the growth still to come."