

Advisory to Shipping No. A-30-2021

July 7, 2021

TO : All Shipping Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – JUNE 2021

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	258
b. Pilots in Training	32
c. Tugs	46
d. Locomotives	100

2. Traffic Statistics:

	<u>Daily Average</u>	<u>High</u>	<u>Low</u>
Arrivals	32.30	52	21
Oceangoing Transits	33.17	37	28
Canal Waters Time (hours)	34.02	46.90	18.37
In-Transit Time (hours)	10.89	13.88	9.54
Oceangoing Transits:	<u>Total</u>	<u>Daily Average</u>	<u>Percentage</u>
Vessels of less than 91' beam	159	5.30	15.98
Vessels 91' beam to under 107' beam	558	18.60	56.08
Neopanamax Vessels (107' beam and over)	278	9.27	27.94
Total:	995	33.17	100.00
Booking Slots:	<u>Available</u>	<u>Used</u>	<u>Percentage</u>
Neopanamax Vessels (107' beam and Over)	240*	223* ¹	92.92
Large Vessels (91' beam to under 107' beam)	390*	368* ¹	94.36
Regular Vessels (less than 91' beam)	180*	129* ¹	71.67
Regular Vessels (up to 300' in length)	0	0	0
Auctioned booking slots	77	58	75.32

* 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 July 31, 2021.

ORIGINAL SIGNED

Ilya R. Espino de Marotta
Deputy Administrator and Vice President for Operations

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SCHEDULE OF PANAMAX LOCKS MAINTENANCE OUTAGES							
Dates	Duration	Miraflores	Pedro Miguel	Gatun	Estimated Capacity	Expected Booking Condition	Status
July 1, 2021	8 hours			East*	26-28	1.a	Completed
July 5 to 14, 2021	10 days			East**	21-23	2	In Progress
August 4 and 5, 2021	5 hours per day			West*	30-32	1.a	Tentative
August 31, September 1, 2021	8 hours per day	East/West Lane*			28-30	1.a	Tentative
September 1 to 10, 2021	10 days	Center Wall***			26-28	1.a	Tentative
September 10 and 11, 2021	8 hours per day	East/West Lane*			28-30	1.a	Tentative
December 9 and 10, 2021	5 hours per day			East*	30-32	1.a	Tentative
December 13, 2021	8 hours			East*	28-30	1.a	Tentative
December 14 and 15, 2021	4 hours per day		West**		30-32	1.a	Tentative

SCHEDULE OF NEOPANAMAX LOCKS MAINTENANCE OUTAGES						
Dates	Duration	Agua Clara	Cocolí	Estimated Capacity	Expected Booking Condition	Status
February 15, 2022	5 hours	*		8-9		Tentative
March 15, 2022	6 hours		*	6-8	^^	Tentative

The normal transit capacity of the Panamax locks is 34-36 vessels per day, and in the neopanamax locks 9-11 vessels per day, depending on vessel mix, transit restrictions, 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
- *** Culvert outage
- ^^ A reduction in the number of available booking slots should be expected

The Transformation of the Panama Canal's Service since the Expansion

Commemorating the fifth anniversary of the Neopanamax Locks and the steady transformation of the Canal's safe, reliable and sustainable service.

Five years ago, the Panama Canal inaugurated the Neopanamax Locks, creating a third lane for traffic at the waterway. The Expanded Canal doubled the waterway's capacity, attracting new markets and opening up world trade. Since then, more than 13,700 vessels have transited the Neopanamax Locks, accounting for 54% of the tonnage handled by the waterway.

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Ensuring a seamless transition was not instant, but rather driven by ongoing transformation of our workforce, operational measures, and equipment, among other elements. This month we reflect on that gradual transformation and how, through heightened flexibility, reliability, and sustainability, we have reshaped the Panama Canal's service and value to the world.

Fostering Safe & Sustainable Transits at the Waterway

The wider dimensions of the Neopanamax Locks allowed the Panama Canal to accommodate a larger class of vessel, as well as an entirely new segment – liquefied natural gas (LNG). While LNG vessels were previously too wide to go through the Panamax Locks, the Canal's Expansion meant over 95% of the global LNG fleet could now transit the Panama Canal for the first time, allowing exporters in the United States to ship natural gas to Asia at competitive prices.

The new locks also required updated technology and equipment to ensure the safe passage of larger vessels. As a result, the Panama Canal acquired 14 new tugboats, 8 of which now have top-of-the-line firefighting capabilities, increasing the Canal's tugboat fleet to 46. The Canal also provided rigorous training to its pilots and tugboat captains and conducted trial transits before the inauguration of the Neopanamax Locks in 2016, to prepare them for vessel maneuvers through the new locks.

“As the head engineer of the Expansion, I witnessed firsthand the excellence of our operations team in adapting and innovating to welcome a new era for global trade,” said Panama Canal Deputy Administrator Ilya Espino de Marotta. “We continue the same commitment today we made five years ago – to continue enhancing the service and value we offer at the Panama Canal for the benefit of our customers and the world.”

Today the Canal continues to find ways to expand its services to accommodate larger vessels through the Neopanamax Locks. Most recently, the waterway increased the maximum length overall (LOA) for commercial and non-commercial vessels acceptable for regular transits of the Neopanamax Locks to 370.33 meters (1,215 feet), up from 367.28 meters (1,205 feet). This change means that 96.8% of the world's fleet of containerships can transit the Panama Canal, shortening routes and benefiting economies around the world.

The efforts to welcome larger ships to transit the waterway have also fulfilled another priority - increasing its emission savings offered to shipping lines. The Expanded Canal significantly increased the route's emission savings for shipping lines by allowing them to transport even greater amounts of cargo in fewer trips, reducing time, fuel, and emissions. By offering a shorter route for ships, the Neopanamax Locks contributed to a reduction of 40 million tons of carbon dioxide (CO₂) equivalent emissions during the last five years, in comparison to the most likely alternative routes.

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"The Expansion allowed us to significantly increase the value we offer to our customers as we look to minimize the carbon footprint through the reduction of emissions in our own operations with the objective of fostering a more sustainable future for shipping," said Panama Canal Administrator Ricaurte Vásquez Morales.

Building on these efforts, the Panama Canal is committed to decarbonizing operations, becoming carbon-neutral by 2030. As an initial next step, the Canal will soon begin an electric vehicle pilot program for the migration of its entire vehicle fleet free from fossil fuels. Decarbonizing operations at the Canal as well as developing a viable solution for water conservation continue to be urgent priorities.

An Optimistic Rebound and Future Outlook

The Panama Canal has adjusted its operations not only for water conservation, but also for changing trade patterns due to the COVID-19 pandemic. While traffic has returned and is expected to remain stable at the Neopanamax and Panamax Locks in the coming months, the Panama Canal will continue adapting its operations to accommodate its customers through the ebbs and flows of the global economic recovery. To demonstrate this, the Canal announced this month that it would suspend transit reservation fees indefinitely to offer customers support and added flexibility following a series of extensions.

The past five years have not been without hardship, particularly the last year. However, we are proud of what our team has accomplished for our customers, our country and the world since opening the Neopanamax Locks. As we celebrate the fifth anniversary of the Expansion, we remain committed to building on these efforts to expand the Panama Canal's value and role in ushering in a more sustainable, connected world for years to come.