



Dear Customers;

As many of you have inquired us about the current situation with the Panama Canal, we hereby expose the general situation, the actions that the authorities are taking, and the exposure that this has (or may have) in terms of vessel itineraries.

As you might well know, the current drought situation that Panama is facing (exacerbated by a severe *El Niño* weather system) has heavily reduced the daily transit at the Canal which until now caused heavy delays in the different vessel categories. The daily transit quantity will be further reduced over the following months and will worsen the situation. Right now the ACP has stopped the possibility of prebooking the transit passage, which gives big uncertainty of the vessel's transit schedule. The late arrival of this year's rainy season and lack of precipitation in the Canal watershed has obliged the Canal to drastically reduce the transit capacity (between 40%-50% of full capacity).

The situation has not improved in recent weeks and last Friday the Panama Canal Authority implemented additional vessel transit reductions in an effort to conserve water in the locks of the Canal. This unforeseen and unusual situation is causing heavy congestion with expected 10-12 days waiting times in order to be able to transit (NB and SB). Furthermore, you can find here below the official communication of the Panama Canal Authority which is self-explanatory and gives more details of the current situation.

We are deeply sorry for the inconvenience that this situation is causing but unfortunately, this is out of our control. We are monitoring this on a daily basis and will keep you updated as soon as we keep getting more feedback about the situation. Should you need any other information please contact us at chartering@volans-ig.

VOLANS Maritime Team



Panama Canal Authority
Vice Presidency for Operations

Advisory To Shipping No. A-48-2023

October 30, 2023

TO: All Shipping Agents, Owners, and Operators

SUBJECT: Reduction in Transits Due to the Ongoing Deficit in Precipitation in the Canal Watershed

Since the beginning of the 2023 dry season, the Panama Canal adopted several water saving and conservation measures in the transit operation, including the use of water saving basins in the Neopanamax Locks and cross-filling in the Panamax Locks. In addition, the late arrival of this year's rainy season, and lack of precipitation in the Canal watershed has obliged the Canal to reduce the transit capacity to approximately 32 vessels per day since July 30, 2023, while managing the available rainfall over the watershed to maintain Gatun Lake at a level that would offer a competitive draft for our clients. On September 29, 2023, the Canal announced an additional reduction in capacity, effective November 1, 2023.

Despite all measures taken, the level of Gatun Lake has continued to decline to unprecedented levels for this time of year. The recorded precipitation for October has been the lowest on record since 1950 (41% below), and so far, 2023 ranks as the second driest year for the same period. Based on the rainfall projections for the following weeks, which as of today is expected to be 38% less for the rest of the year, the ACP finds it necessary to further reduce the daily transit capacity to postpone the need for additional draft reductions below the current 13.41m (44 feet) TFW.

Therefore, from November 3, 2023, to November 6, 2023, the number of booking slots will be reduced to 25, and from November 7 to November 30, 2023, the number of booking slots will be reduced to 24.

In addition, from December 1 to December 31, 2023, the number of booking slots will further be reduced to 22, and from January 1, 2024, to January 31, 2024, the number of booking slots will be reduced to 20.

For booking dates beginning February 1, 2024, and until further notice, the number of booking slots will be reduced to 18 per day.