



Date Decemeber 22, 2023

Subject **Customer Advisory Ocean Freight
Panama Canal Situation Update**

Dear Customer,

We would like to share an update on the current situation at the Panama Canal.

What is the current status ?

Ships transiting the Panama Canal have fallen from an average of 36 per day to 22 per day, of which 6 Neopanamax and 16 Panamax vessels. The restriction is in response to the challenges posted by the current state of Gatun Lake which is experiencing unusually low water levels this time of the year due to drought.

What is the impact to DHL and our customers ?

- Increased cost to ship through the Panama Canal as a result of fewer vessels being allowed through.
- Less container capacity on vessels still transiting through the Canal as a result of draft restrictions.
- Transit time delays whichever routing is selected: via the Panama Canal, via the Red Sea/Suez Canal or via the Cape of Good Hope.
- Delays likely to be longer via the Red Sea/Suez Canal or Cape of Good Hope routes from Asia (at least 10-15 days longer).
- Container ships do enjoy priority via the Panama Canal and suffer the least delays.
- ***Many carriers have announced and filed Panama Canal Surcharges in their tariffs effective January 1st 2024 which vary in amount & which will be invoiced at pass-through cost to our customers as & when they are applied.***

DHL is reviewing all customer supply chains that could potentially be impacted by the Panama & Suez Canal delays and are proactively offering alternative solutions to optimize reliability.

A few potential solutions offered:

- For the Trans-Pacific and West Coast South America trades using the Port of Lázaro Cárdenas as a gateway via rail services cross-border to/from destinations/origins in the US Gulf and Midwest.
- Using transcontinental rail links in North America to connect Trans-Pacific and Trans-Atlantic ocean services between Asia and Europe, avoiding the Panama and Suez Canals altogether.
- Using transloading services at the nearest POD, with direct truck delivery to final destination.
- Using the ports at either end of the Panama Canal as hubs from which to connect cargo to/from destinations in Latin America via ocean, road or air freight.

Do not hesitate to reach out to your local DHL representative to create solutions for your supply chain's needs!

Kind regards,
DHL Global Forwarding