

Client circular  
Leer, 15-NOV-2023

## **Drought situation at the Panama Canal and consequences thereof for the shipping industry and for voyages of BBC Chartering**

Dear Customers,

with this letter we wish to inform you about the current situation at the Panama Canal and its consequences for shipping.

In its Advisory to Shipping No. A-48-2023, the Panama Canal Authority has informed its clients that it must further reduce the number of daily transits through the canal.

According to the Panama Canal Authority's website, the month of October has been "the driest since the earliest registers, 73 years ago. The drought caused by the El Niño phenomenon continues to impact the Panama Canal's reservoir system and, as a result, water availability has been reduced."

Rainfalls have been 41% less than usual. Even though several water saving and conservation measures have been taken into use since the beginning of the 2023 dry season, the water level of Gatun Lake is in a state that requires further reduction of passages to reduce the volume of water discharged into the ocean by lockages. A reduced number of passages helps to postpone the need for additional draft restrictions below the current 13.41m (44 feet).

Whilst the situation continues to worsen, waiting time for non-booked ships to pass the Panama Canal has reached sixteen days for our size of vessels. Attempts to secure further passages for our vessels have so far not been successful. Auctions for passages for our usual vessel sizes have been suspended, at least until the end of this month. It is thus inevitable that waiting times increase further. We are currently investigating the options of routing via the Cape of Good Hope or via the Suez Canal for current voyages affected. Waiting times and re-routing will be handled in accordance with the Carrier's Canals and Waterways Clause.

For more detailed information, please refer to the [website of the Panama Canal Authority](#). Our latest BL Terms & Conditions are available on our [website](#).

We will keep you posted on further development in this matter.

Kind regards

BBC Chartering GmbH & Co. KG  
AS AGENTS

For contact details please visit our [website](#).