



PANAMA CANAL NEWS

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New, more powerful cutter-suction dredge to replace the Mindi



Dredge Mindi in operation at the Canal.

In March, the ACP officially awarded the contract to design and build a new, more powerful cutter suction dredge to IHC Beaver Dredgers B.V. at a price of \$95.9 million.

The new 12,000KW dredge will replace the dredge "Mindi," which has been in service at the Panama Canal since 1942 and has only a 9,000KW capacity. With an expected delivery date of May 2011, the new dredge will have the modern equipment, systems and components required for efficient operations.

The new dredge will have more pumping capacity and the ability to dredge at deeper lengths. This will allow the ACP to boost the production capacity of its dredging fleet, thus making the waterway more navigable, safe, reliant and efficient.

The dredge will be constructed in the Netherlands and have the capacity to dredge along the entire Canal, including the Gaillard Cut (the narrowest stretch in the Panama Canal), Gatun Lake, and both Atlantic and Pacific entrances, at a depth of 25 meters.

AAPA Held Meetings in Panama

During the months of May and June, the American Association of Port Authorities (AAPA) held its "Harbors, Navigation and Environment" seminar and its "Latin American Regional Meeting" in Panama City, Panama.

At both events, hundreds of representatives from the maritime community listened to ACP Administrator/CEO Alberto Alemán Zubieta discuss topics related to the economic impact of Panama Canal expansion on Latin America and the transshipment activities in the region. Technical sessions on the Expansion Program, including its environmental and dredging components, were provided by ACP executives Ilya Marotta and Daniel Muschett, during the "Harbors, Navigations and Environment" seminar.

Meeting participants also were able to see first-hand excavation work underway for the creation of the access channel that will link the new Pacific locks with the Gaillard Cut, at the west side of the Canal. Additionally, the meetings' agendas included visits to Miraflores Locks where attendees watched the transit of vessels through the Panama Canal.

Paraiso Hill undergoes significant excavation

Paraiso (Paradise) Hill, located north of the Pedro Miguel Locks in the Canal's Pacific side, has been excavated from its original 136 meters height to 72.5 meters, the height equivalent to a 21-story building.

The excavation of Paraiso Hill is part of the first contract for the dry excavation of the Pacific locks access channel. This new channel will link a new third set of locks on the Pacific end of the Canal with the existing Gaillard Cut. Since last December, Panamanian company Constructora Urbana, S.A. has worked 24 hours a day to advance this part of the contract, which will reduce the hill to 46 meters.



Specialized equipment performs nighttime excavation work in Paraiso Hill.

ACP renews its strategic alliances with U.S. ports

Five years ago, in a strategic move to boost trade and promote the use of the 'All-Water Route,' (the route from Asia to the U.S. East Coast via the Panama Canal), the Panama Canal Authority (ACP) signed Memorandums of Understanding (MOU's) with the port authorities of New York/New Jersey, Virginia, Georgia, South Carolina, Houston, New Orleans, Miami, Tampa and Massachusetts. The trade handled by these ports is of particular importance to the waterway, as 66 percent of Canal traffic originates in or is destined for the United States.

These MOU's have been instrumental in the sharing of information between the Canal and the port terminals regarding projects aimed at increasing capacity to accommodate projected cargo growth over the next decade. Most recently, the ACP held a MOU renewal ceremony with the Virginia Port Authority (VPA) in April 2008, highlighting the port's current capacity to handle post-panamax vessels.



ACP Administrator/CEO Alberto Alemán Zubieta and VPA Executive Director Jerry A. Bridges shake hands after the MOU renewal ceremony.

Expansion will provide additional capacity for Panamax vessels too



Conceptual design of the Pacific Locks.

In September 2007, the ACP launched the first phase of its Expansion Program, which includes the building of a new lane of traffic through the construction of a new set of locks. When completed, the expanded waterway will accommodate vessels 49 meters (160 feet) wide, 366 meters (1,200 feet) long and 15 meters (50 feet) deep, with a cargo volume of up to 170,000 deadweight tons (DWT) or 12,000 twenty-foot equivalent units (TEUs). Costing an estimated \$5.25 billion, the project is designed to double the capacity of the waterway and meet the projected increase in the demand for transportation services worldwide.

However, the benefits of expansion are not limited to wider and longer ships. With the new locks, Panamax-sized dry bulkers that transit the Canal today at 78 percent of their capacity will increase their utilization rate to almost 98 percent. This will allow for additional cargo loads of up to 20,000 tons, making more efficient use of the vessels and generating savings in transportation costs. Baby capesizes of up to 120,000 DWT will be able to transit at 98 percent capacity. This new capacity will facilitate the transport of coal, metals and minerals in large vessels that are unable to transit the existing Canal. Vessels that will clearly benefit from the increase in capacity include those that currently take long voyages from west Canada, around the Magellan Strait, to Europe and also from the east coast of Colombia to the west coast of Mexico.

Expansion will open the waterway to new industries requiring the use of vessels that currently do not fit through the Canal. For example, vessels transporting Liquefied Natural Gas (LNG) from Peru and Trinidad and Tobago will have the ability to utilize the Canal to reach their target markets in North America, Europe and Asia. Other beneficiaries include the Panamax tanker vessels that will be able to transit fully loaded, improving their competitiveness in the short- and medium-range hauls.

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