Panama Canal transits bounce back after drought

Recovering from drought related restrictions in the previous year the Panama Canal saw a 25% jump in transits for the first four months of FY2025.

Michele Labrut, Americas Correspondent

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Credit: Panama Canal Authority

At a Glance

- Daily transits of the Panama Canal are back up to 36 from just 22 in late 2023
- Container ships were the largest user of the waterway in the first four months of FY2025
- The canal is moving forward with plans for a new reservoir

Transits in the <u>Panama Canal</u> during the first four months of the Canal's fiscal year 2025 [October 2024-January 2025] increased 25.04%, compared to the same period a year ago, when traffic through the key waterway were reduced due to drought restrictions.

Between October 2024 and January 2025, the waterway saw a total of 4,042 transits, up 809, in the two types of locks, <u>Panamax</u> and Neo-panamax, according to Panama Canal statistics.

In the Panamax locks, transits accounted for 72.44% with 2,928 vessels transiting, while the Neopanamax locks of the expanded Canal recorded a total of 1,114 transits in the same period, or 27.56% of total transits.

<u>Panama</u> Canal Deputy Administrator Ilya Espino de Marotta recently said that daily transits were up to 36, as a result of the various water management measures implemented between July 2023 and mid-May 2024. In late 2023 the number of daily transits dropped to 22 compared to 36 which is the normal daily capacity of the canal.

By segment, container vessel transits totalled 979 from October 2024 and January 2025, an increase of 6.99% over the 915 transits recorded in the same period of FY2024.

Chemical tankers totalled 748, 20.65% year to date, and bulk carriers 726 transits, an increase of 86.15% compared to 390 a year before.

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Gas carrier transits totalled 647, 41.88% higher than the 456 transits last year. Vehicle carriers were up to 289, an increase of 17.47% and refrigerated vessel transits totalled 171 vessels, 27.6% more than in January 2024.

In the tanker segment, transits were at 134 slightly reduced by 2.18% as well, while in the passenger segment, transits dropped by 5.73% to 11.

In the LNG segment only 13 transits have been reported in the first four months of FY2025, compared to 72 transits, the year before.

While the canal moves forward with the project for a new reservoir on the Indio River, following the completion of the census of the communities living in the area, the administration of the waterway is focused on attracting shipping lines and segments that stopped using the route due to the reduction in transits.

The Panama Canal has been in the news again lately over claims by US President Donald Trump that it is controlled by the Chinese and that the <u>US</u> could take back control of the canal. At the centre of the claims of Chinese controlled are two ports concessions with Hong Kong-headquartered <u>Hutchison</u> <u>Ports</u> in Balboa on the Pacific side and Cristobal on the Atlantic side.

A call scheduled between President Trump and Panama President José Raúl Mulino on Friday to discuss issues around the canal was postponed, and is yet to be rescheduled.