

Shippers face delays as carriers skip South America calls due to Panama Canal woes



*Maersk said it has not made any port omissions despite the restrictions through the Panama Canal.
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Keith Wallis, Special Correspondent | Dec 27, 2023, 10:04 AM EST

Shippers in Asia and Brazil are suffering from cargo delays of up to a month as ocean carriers omit calls at key transshipment ports in Central and South America to offset delays caused by limits on the number of ship transits through the drought-hit Panama Canal.

Port and freight forwarding executives say the omissions mainly affect carriers in THE Alliance.

Highlighting the delays, Fabrizio De Paulis, managing director of Brazilian forwarder De Paulis Logistics & SCM Eireli, said two consignments of reefer containers were delayed

at Cartagena, Colombia, for almost two weeks because of port omissions and congestion.

Ocean Network Express (ONE) and Hapag-Lloyd confirmed they are skipping calls, especially at Cartagena and Manzanillo in Panama, although omissions are being made at other ports.

ONE said at least 12 December and January sailings on the Asia-US East Coast EC1 and EC2 services, operated as part of THE Alliance network, would skip calls at either Manzanillo or Cartagena as vessels were diverted.

Vessels operating those services, including the 13,000-TEU *Ulsan Express* and 13,296-TEU *Al Riffa* were originally to be diverted through the Suez Canal, ONE said. But due to the threat of missile and drone attacks in the Red Sea, ships are now sailing via the Cape of Good Hope.

The extra transit time has lengthened the original delay of about 10 days for arrival on the US East Coast to about one month, vessel schedules showed Tuesday.

By comparison, the latest data from the Panama Canal Authority (ACP) shows 47 vessels with transit bookings and 23 vessels without were waiting in the queue Tuesday. The average waiting time for non-booked neo-Panamax vessels was under five days for north and southbound vessels, ACP data showed.

ONE said it was also transshipping cargo in South Korea's Busan after it changed vessel routings from eastbound to westbound to avoid the Panama Canal.

Hapag-Lloyd said it is omitting calls at ports including Kaohsiung, Taiwan and Buenaventura in Colombia on its Asia-Latin America (JCS) and North Europe-South America Westcoast (SWX) services.

"The omissions were made because we didn't get slots to go through the canal," a Hapag-Lloyd spokesperson told the *Journal of Commerce*. "The slot situation is challenging at the moment, but we see some light at the end of the tunnel. The EC2 service will pass via the canal in January again."

Maersk said it has not made any port omissions despite the restrictions through the Panama Canal.

"We have been closely monitoring the situation and, thus far, we have been able to continue making and securing timely Panama Canal transits to support our customers," Maersk Latin America spokesperson Monica Martinez told the *Journal of Commerce*. "We continue to adapt our internal processes to match the updated

booking requirements of the canal, securing access to the transit slots needed to ensure minimum impact on our customers.”

Panama is continuing to suffer from a prolonged drought in what is supposed to be the height of the country’s rainy season, which generally lasts between May and November. While transit restrictions have been implemented during periods of low rainfall since at least 2016, the drought has been especially severe this year due to the simultaneous warming of both the Pacific and Atlantic oceans, which has reduced rainfall.

The number of ship transits through the canal, reduced to 32 during the northern hemisphere summer, was cut again to 31 from Nov. 1. Under normal circumstances, about 40 transits per day would take place.

Fewer vessel calls for Panama’s MIT

Panama’s Manzanillo International Terminal (MIT) said it has been negatively impacted by THE Alliance’s decision to redeploy its trans-Pacific services westbound via the Suez Canal and Cape of Good Hope.

“We expect vessel calls to be 5% below 2022’s figure as a result,” MIT spokesperson Juan Carlos Croston told the *Journal of Commerce*.

“The Panama and South America markets still need to be served,” he added. “Other carriers will need to pick up the slack. The question is which carriers will benefit.”

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