

The Panama Canal: It's all about connectivity



CANAL DE PANAMÁ



Panama at a glance



GDP growth rate – last 10 years	7.5%
GDP estimated- 2013 (dollars)	38,6b
GDP per capita - 2013 estimated (in dollars)	13,032
Population (million)	3.5
Unemployment rate (in %)	4.0
Inflation rate - 2013 (in %)	4.08

It's all about Connectivity





The Panama Canal's
value added service

The Panama Canal Service Package

Economies of Scale

Connectivity

Sustainability

Reliability

100

years



An aerial photograph of a large canal lock system. A long, narrow lock chamber is filled with water, and a large red cargo ship is passing through it. The lock is surrounded by green fields and some industrial buildings. In the background, there are hills and a large body of water.

Reliability

- Opens 24 hours a day, 7 days a week, 365 days a year
- Safe and secure
- 98% customer satisfaction
- Strikes not allowed by law; only two closures in its history
- Predictability: Published tariffs and fixed transit date with reservation

TIME AND DISTANCE SAVINGS

	PANAMA CANAL		ALTERNATE ROUTES					
			SUEZ		CAPE HORN		CAPE OF GOOD HOPE	
	DAYS	DISTANCE	DAYS	DISTANCE	DAYS	DISTANCE	DAYS	DISTANCE
East and Gulf Coast US - Asia	20.0	9,640	29.5	14,178	35.6	17,112	31.6	15,417
West Coast South America – East Coast US	7.3	3,351	43.3	19,776	21.3	9,753	43.1	19,693
West Coast South America - Europe	14.1	6,433	39.8	18,184	22	10,506	42.3	19,321
West Coast US - Europe	17.5	8,005	35.5	16,210	30	13,702	42.4	19,385
West Coast Central America – East Coast US	6.3	2,900	43.2	19,756	24.9	11,379	44.4	20,299

Source: Fairplay Distance Table

Speed: 20 knots

Distance from point to point, travel days without considering port calls



Sustainability



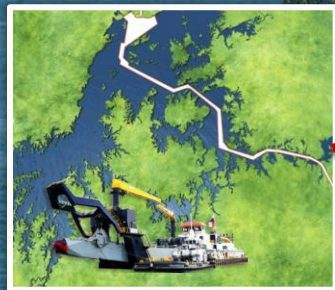
Panama Canal - 2015

Capacity:

Existing Canal: 330m PC/UMS tons

Expanded Canal: 600m PC/UMS tons

Expansion Program Components

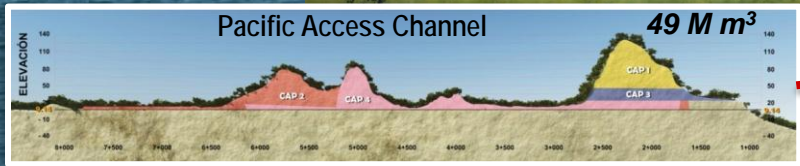


Pacific Site Post-Panamax Locks

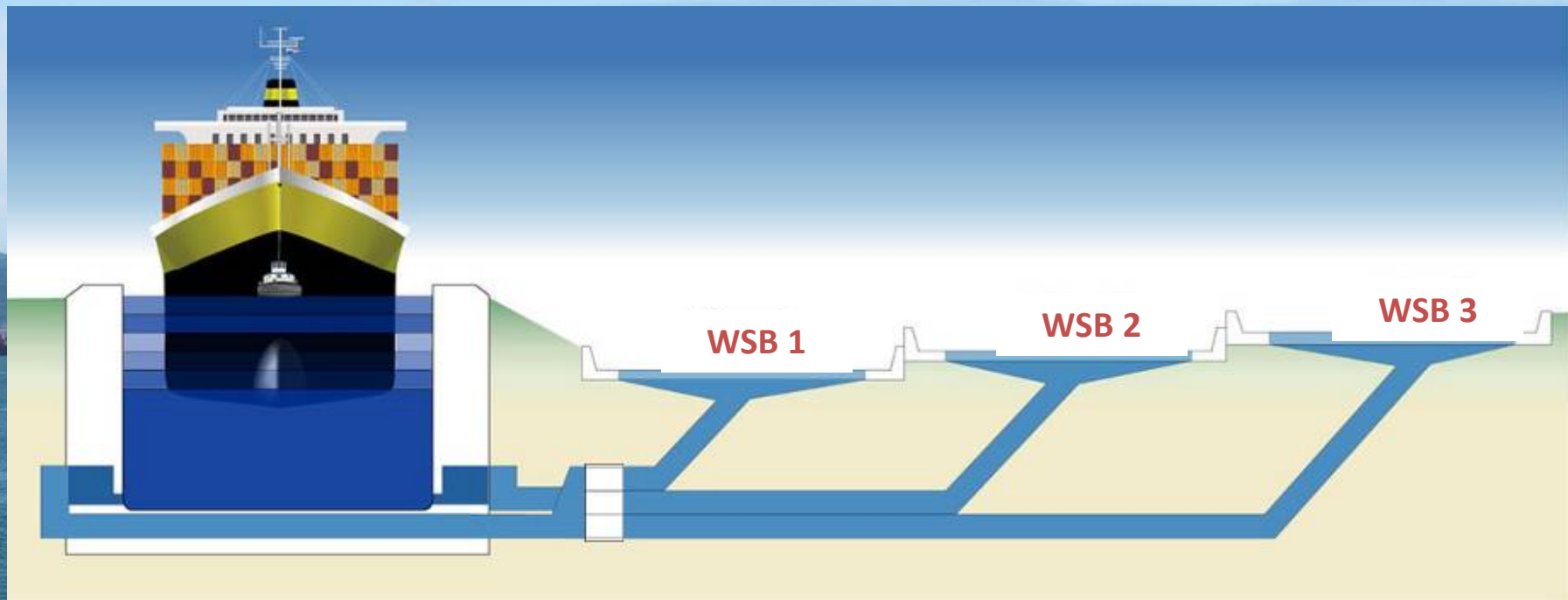


Pacific Access Channel

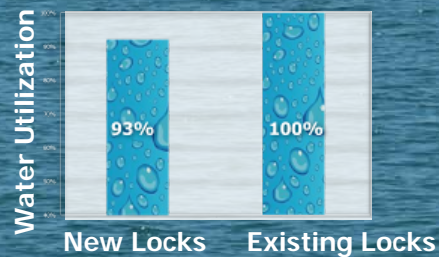
49 M m³



Post Panamax Locks Operation

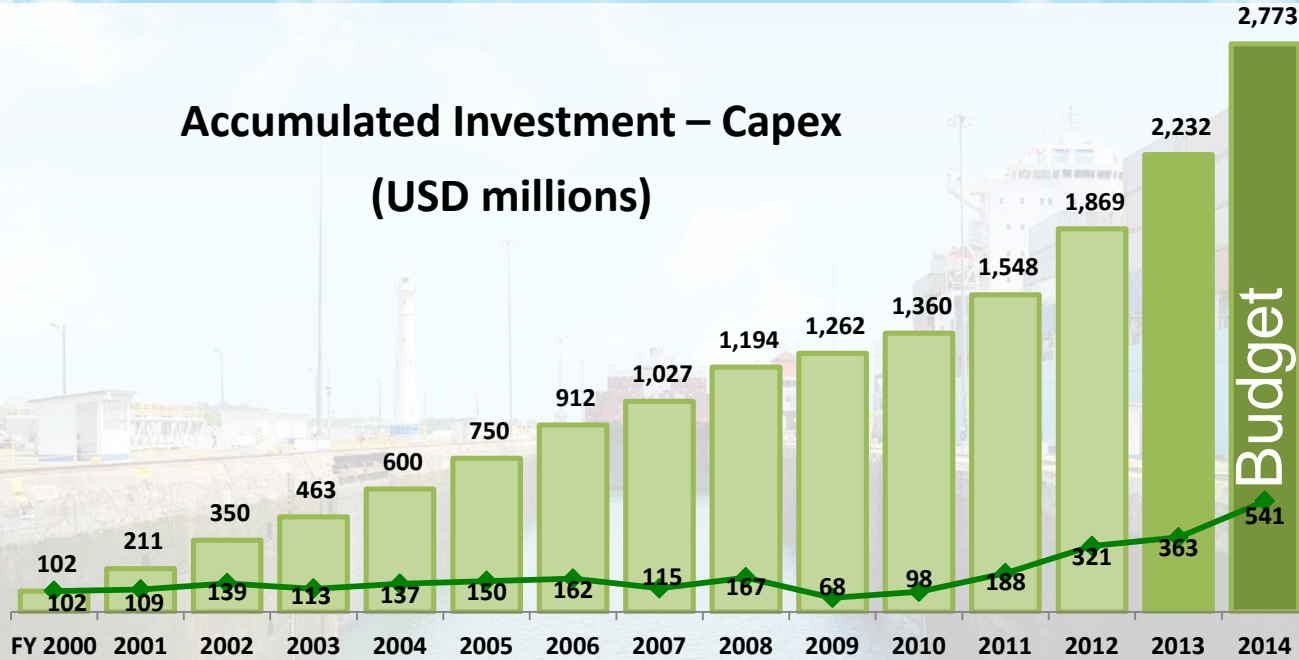


With the water saving basins the new locks will use **7% less** water than the existing locks



Regular Capital Investment Program

Accumulated Investment – Capex (USD millions)



Dredging



Locomotives



Technology



Ground Dams



Tie-up Station



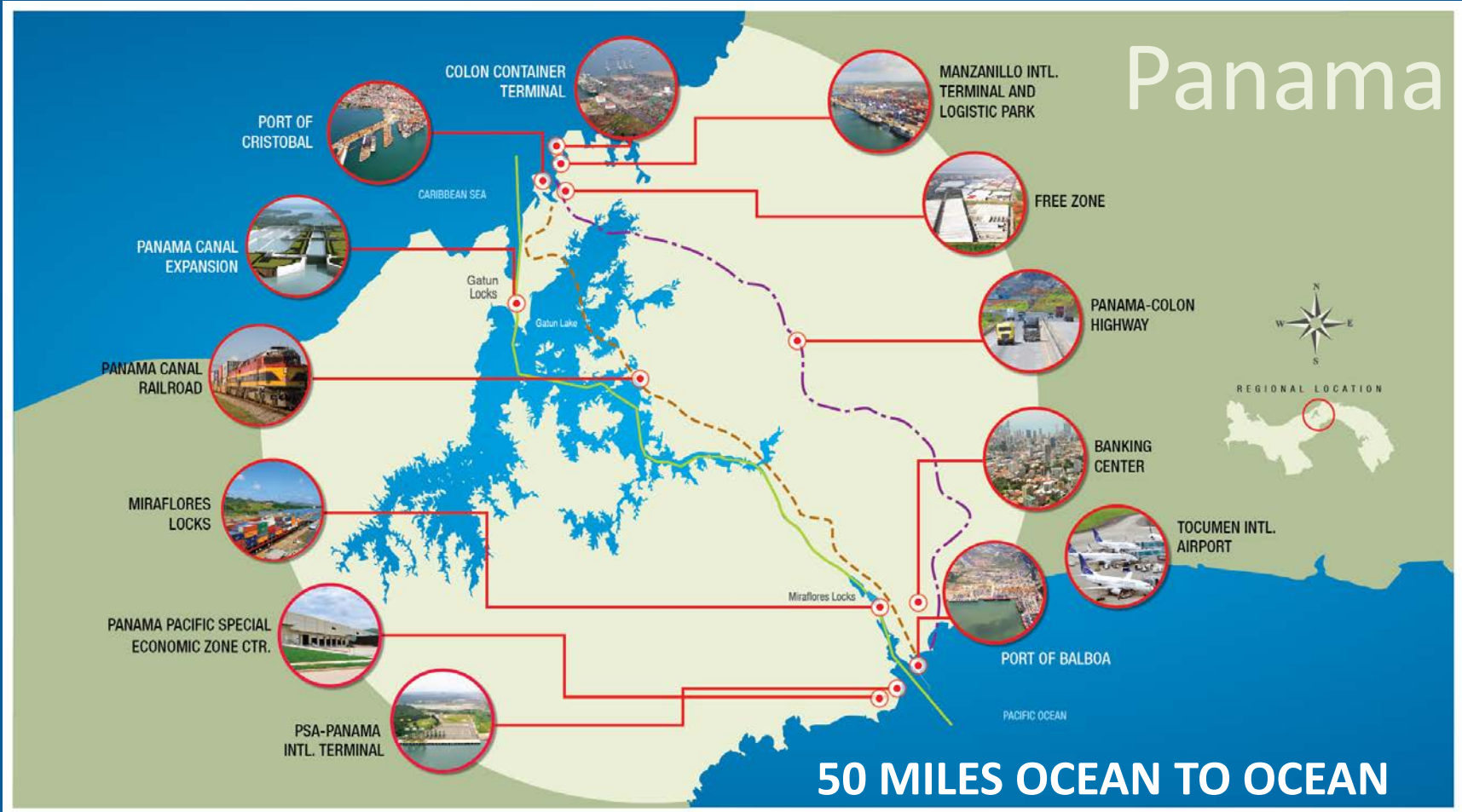
Tugboats

Panama Canal's share of global seaborne trade

- 3% of world maritime trade
- 10.6% of grains
- 5.8% of chemicals
- 4.7% of containers



The Transportation and Logistics Hub of the Americas



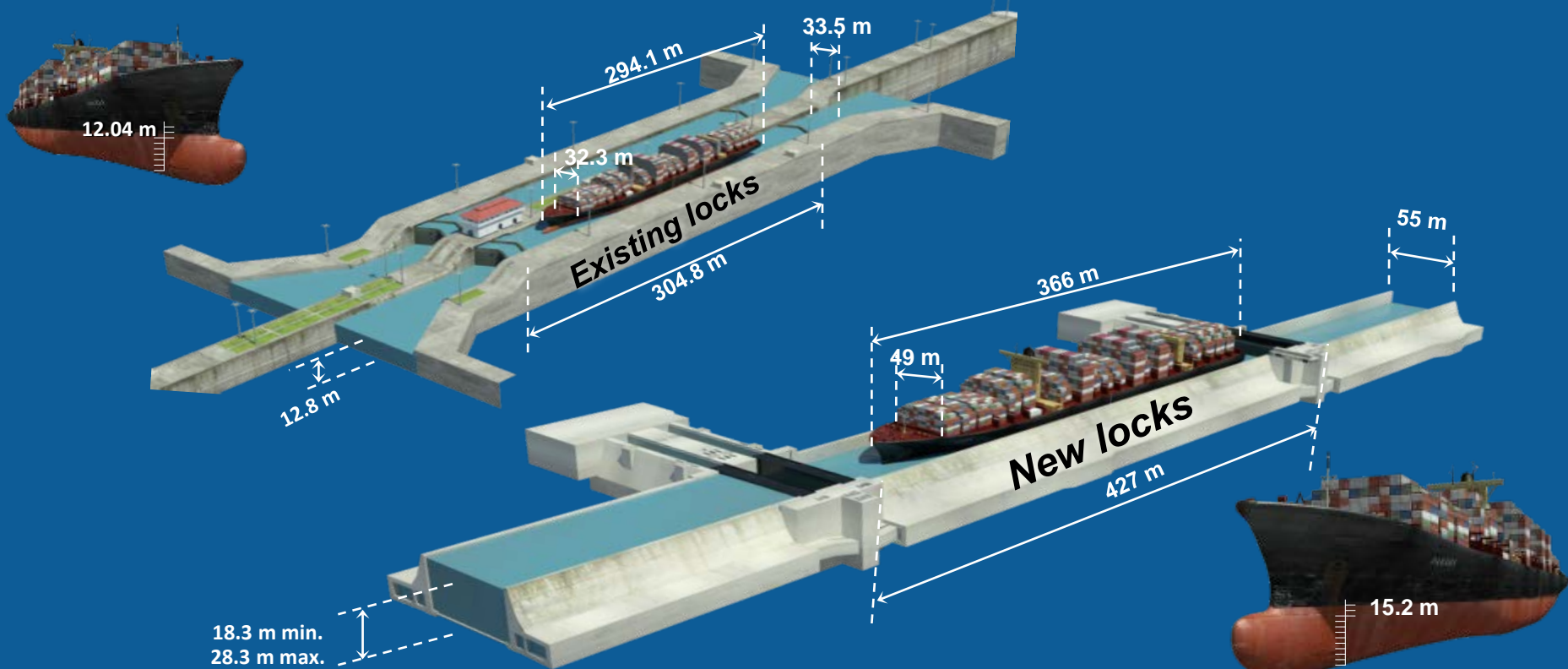


Economies of Scale

Dimensions of Locks and Ships

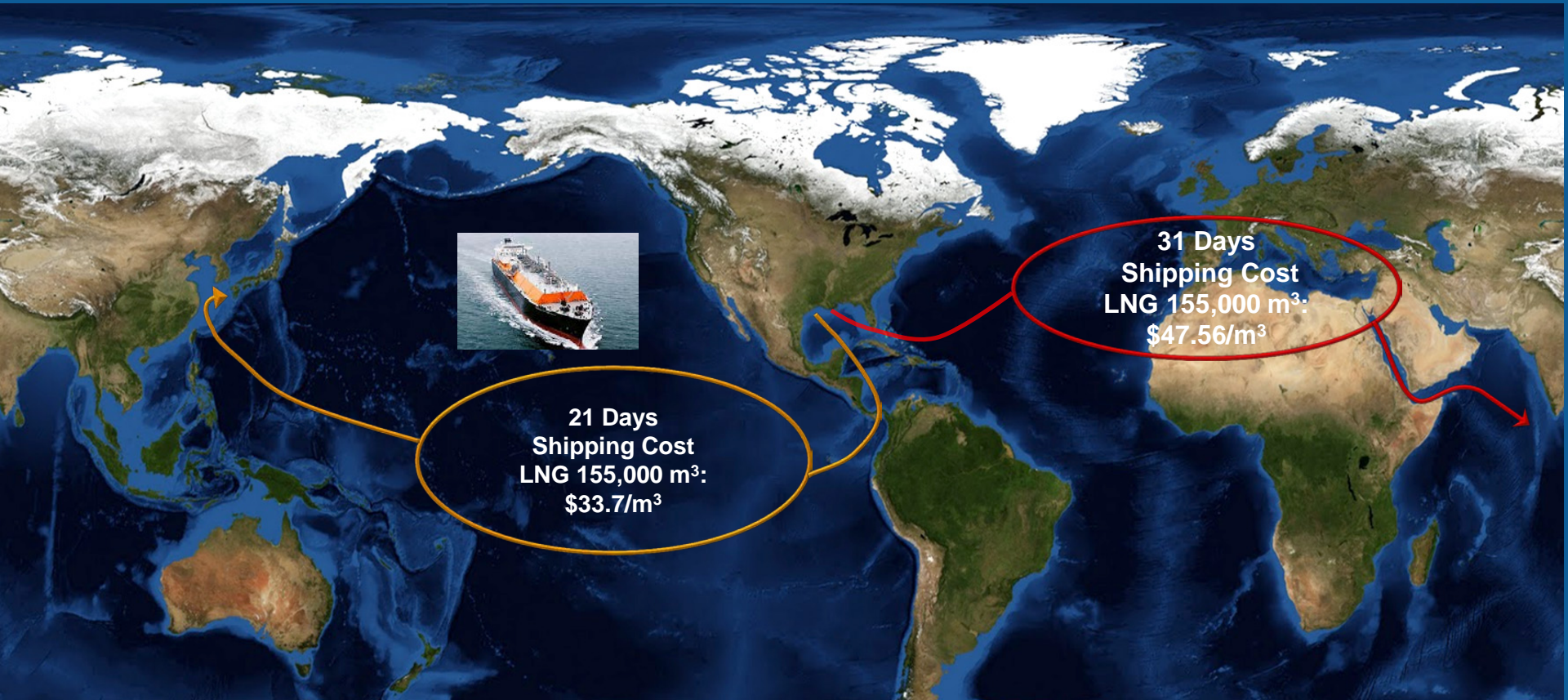
Existing locks maximum vessel size:

4,400 TEU



New locks maximum vessel size: 13,000 – 14,000 TEU

LNG Trade – U.S. Gulf to Fukuoka, Japan



Panama Canal: 9,640 nm

Savings of 4,538 nm

Approx. 10 days less

Suez Canal: 14,178 nm

Thermal Coal Trade – Colombia to Chile



8 Days
70K DWT: \$22/MT

25 Days
70K DWT: \$27/MT

Panama Canal
Sea distance: 2,524 nm

Savings of 5,698 nm
Approx. 17 days less

Cape Horn
Sea distance: 8,222 nm

Fuel Oil Trade – U.S. Gulf to South Korea



Panama Canal

Sea distance: 9,664 nm

Savings of 5,794 nm

Approx. 15 days less

Cape of Good Hope

Sea distance: 15,458 nm

Diesel Trade – U.S. Gulf to Chile



Panama Canal

Sea distance: 4,129 nm

Savings of 5,062 nm

Approx. 14 days less

Cape Horn

Sea distance: 9,191 nm

LPG – U.S. Gulf to South Korea



Panama Canal

Sea distance: 9,733 nm

Savings of 5,660 nm

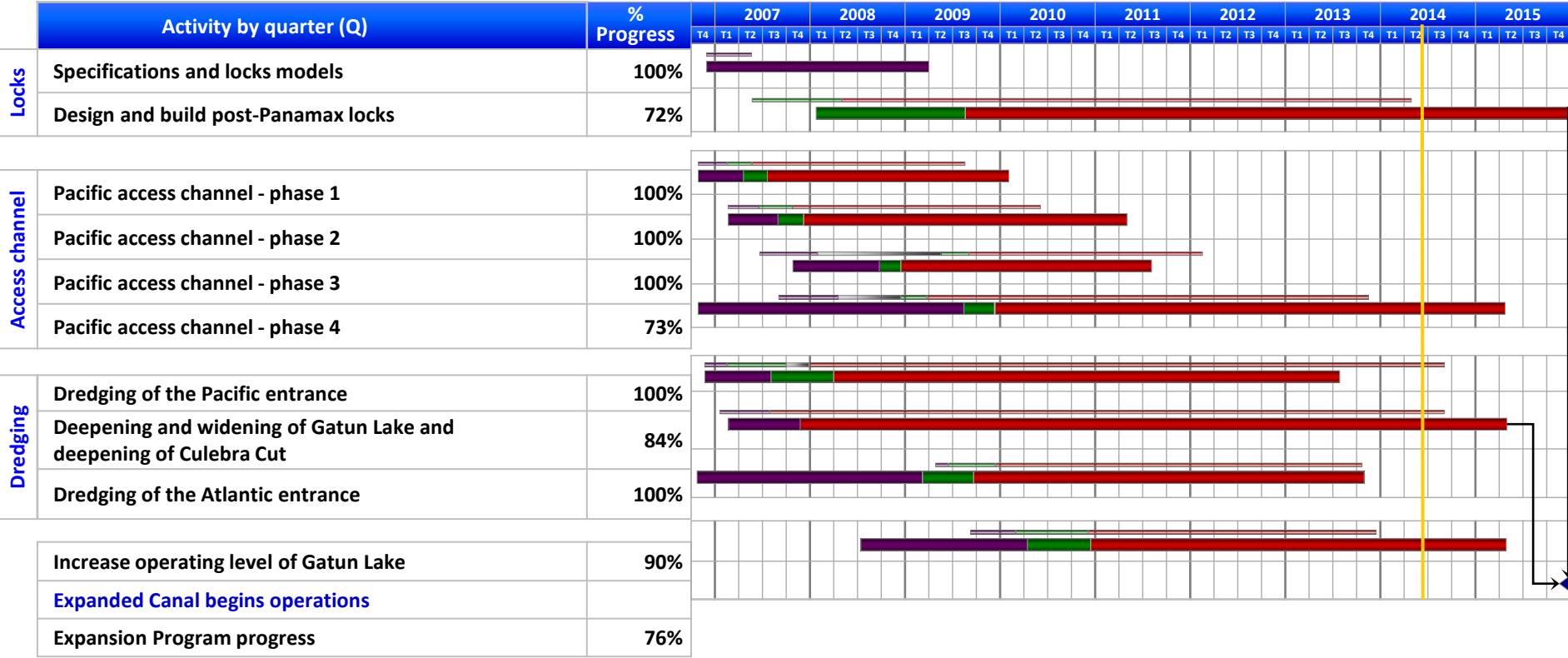
Approx. 15 days less

Cape of Good Hope

Sea distance: 15,393 nm

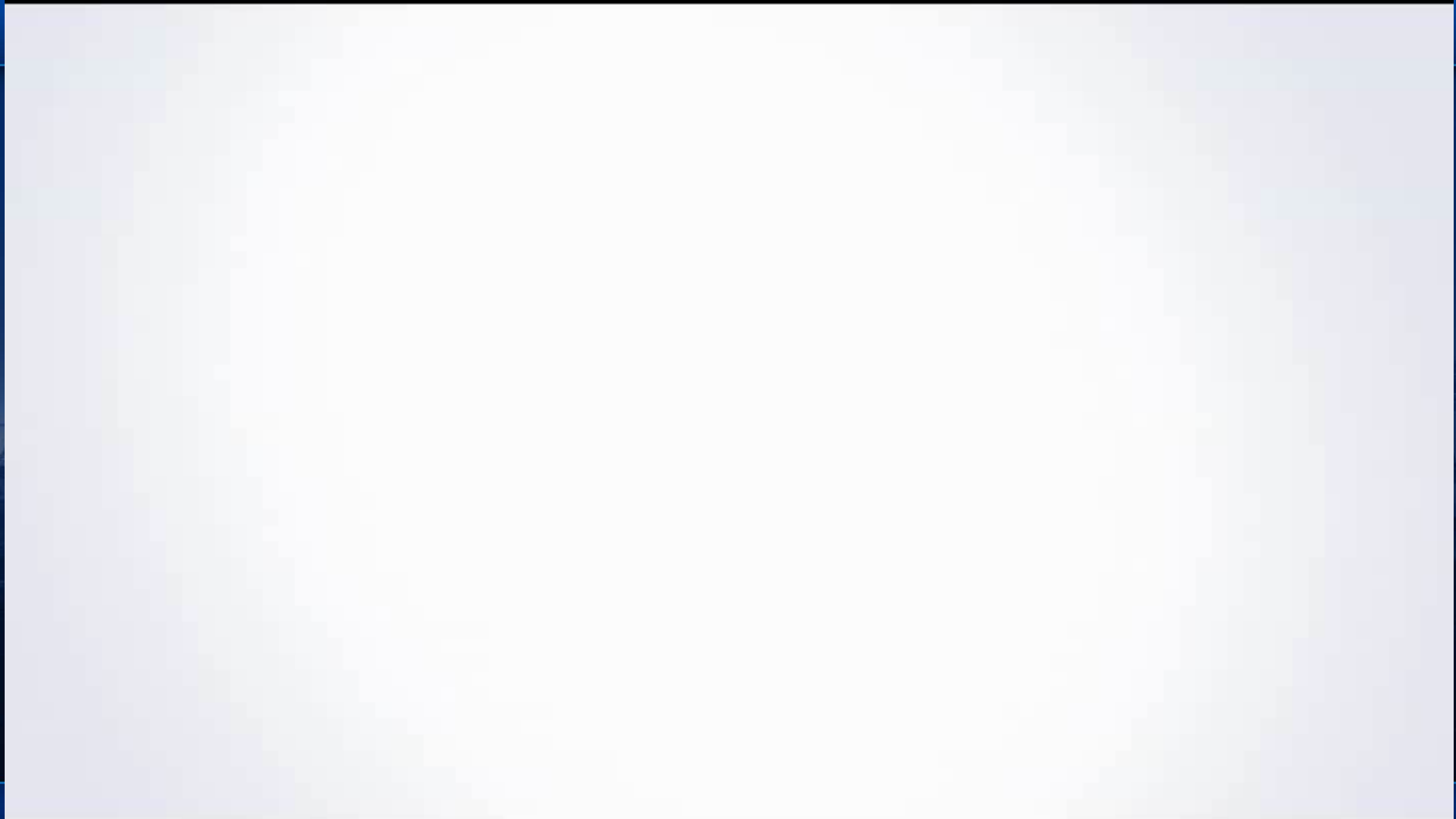
Summary Schedule of Main Projects with Baseline and Contingency

As of 30 June 2014



Specifications and design	Bidding and contracting	Execution	Contingency against baseline	Beginning of operations
Baseline*	Baseline	Baseline		

* Baseline from 31 December 2006 including contingency





CANAL DE PANAMÁ

