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## **Panama Canal Authority: Optimized routing pivotal in reducing GHG**



Route optimization is a critical tool, which could offer the shipping industry an exponential reduction of CO<sub>2</sub> and other greenhouse gas (GHG) emissions from ships while ensuring fuel and other types of savings, Panama Canal Authority believes.

The argument is being reiterated on the back of recently held virtual informal talks organized by the International Maritime Organization (IMO) on short-term and broader measures for reducing GHG from ships as part industry-wide efforts around the decarbonization of shipping.

The discussion was welcomed by industry bodies as a way of returning back on track with decarbonization efforts which have been considerably sidetracked by the impact of the COVID-19 pandemic.

The canal authority had already submitted a document to the IMO entitled: "*The optimization of maritime routes as short-term measures to reduce emissions*," outlining the various factors that impact a ship's emissions while at sea, ranging from weight of cargo to speed.

The document underscores that each one must be considered and optimized to cut emissions and meet IMO's decarbonization goals.

The targets stipulate that the international shipping industry needs to decrease CO2 emissions per transport work by at least 40% by 2030 and total annual GHG emissions by at least 50% by 2050 compared to 2008.

An optimal route can amount to up to 10% of GHG reduction potential, based on time reduction and navigation distances, according to the IMO.

To that end, the canal has developed a software that calculates a vessel's estimated CO2 emissions released during the transit of a particular route. The tool factors in ship type, cargo volume, mode of transport, and voyage origin and destination, allowing shippers to consider and select the most environmentally sustainable route.

*"Since opening over a century ago, the Canal has become a key proponent for optimized routing, having directly contributed to the reduction of 800 million tons of CO2 emissions,"* **Alexis Rodríguez**, Panama Canal Environmental Specialist, said.

*"This is in part because the Panama Canal allows shippers travelling from Asia to the U.S. West Coast to save 12 percent and 18 percent fewer emissions compared to the Suez Canal or Cape of Good Hope route, respectively, by shortening the distance and saving time, fuel and additional costs."*

As explained, in 2014, the Panama Canal began promoting the IMO's implementation of nearby transit separation schemes (TSS) and vessel speed reduction programs.

Effective August 1 to November 30 each year, the measures reduce the risk of collisions between migrating whales and vessels traveling to and from the waterway, while also lowering their GHG and pollutant gas emissions by an average of 75%, depending on the type, size, and fuel of each vessel. This amounts to over 15,000 tons of CO2.

The completion of the Panama Canal Expansion in 2016, additional route emission savings have been offered to shippers as wider, longer, and deeper lane allows vessels to transit with greater cargo-carrying capacity, requiring fewer cargo movements.

The canal authority estimates that the expansion will save an additional estimated 160 million tons of emissions in its first 10 years of operation.

Rodríguez noted that in 2017, the Panama Canal partnered with the Panama Maritime Authority and other Panamanian bodies to launch Panama's Maritime Single Window (VUMPA), streamlining logistics paperwork for international customers passing through the country.

The measure requires extensive inter-agency coordination and is credited with saving over 300,000 paper forms and 3,200 hours on an annual basis.

That same year, the Canal's Green Connection program also introduced the Emissions Calculator, a tool that allows shippers to measure their GHG emissions per route, including the total emissions saved by choosing the Panama Canal over other routes.

*"By taking these steps, the Panama Canal has developed an all-encompassing blueprint for the reduction of CO2 emissions, which we will continue to advocate for and build upon in the months and years ahead alongside our customers and industry peers,"* Rodríguez added.

*"Although the COVID-19 pandemic is still a pressing challenge, the subsequent recovery gives us an opportunity to rebuild better. It is critical that we take this moment to come together, raise our ambitions and steer the planet towards a more sustainable and inclusive future. "*

IMO has announced that the original 2020 calendar of meetings has been rescinded, as work gets under way to reschedule IMO meetings.

All IMO meetings originally planned to be held between late March and July 2020 have been postponed due to the COVID-19 pandemic.

The organization is considering the reconstruction of the schedule of meetings for 2020, including the possibilities for virtual meetings.

Resuming physical meetings will depend on guidance from the World Health Organization (WHO) and the UK Government, as well as the situation of IMO Member States.

A trial of a platform (KUDO) which provides for simultaneous interpretation into the six official languages of the Organization was conducted during one of the recent informal virtual discussion sessions, the IMO said.

Information regarding the rescheduling of postponed meetings is yet to be disclosed.