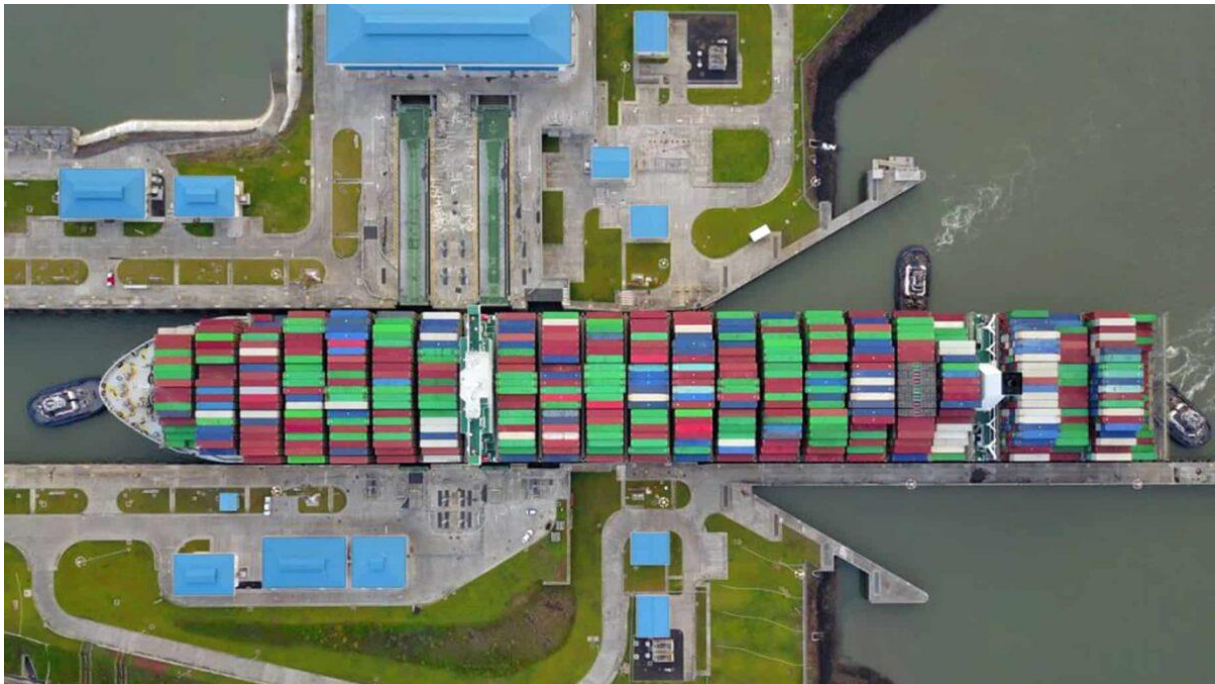


Maersk to use freight rail to circumvent Panama Canal amid drought

Large ship crossings through the canal have plunged in recent months

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Maersk told customers it will use the Panama Canal Railway, a 47-mile railroad running adjacent to the Panama Canal, to transport cargo between the Atlantic and Pacific oceans. (Photo: Panama Canal Authority)

[A.P. Moller-Maersk](#) has announced it will begin using a freight railroad to bypass the drought-stricken Panama Canal, as low water levels have forced authorities to limit the number of large ships passing through.

The shipping container giant said Wednesday its Oceania-Americas (OC1) service, which normally uses cargo ships to transit the canal, will instead

utilize the Panama Canal Railway, a 47-mile railroad running adjacent to the canal that connects the Atlantic and Pacific oceans.

Maersk's OC1 service connects Australia and New Zealand with ports in Philadelphia and Charleston, South Carolina.

Maersk said vessels that used the Panama Canal will now use a "land bridge" creating two separate rail loops, one for cargo headed to the Atlantic and another for the Pacific.

"Pacific vessels will turn at the Port of Balboa in Panama, dropping off cargo heading for Latin America and North America, and picking up cargo heading for Australia and New Zealand," Maersk said in a [news release](#). "Atlantic vessels will turn at Panama's Port of Manzanillo, dropping off cargo heading for Australia and New Zealand and picking up cargo heading for Latin and North America."

Maersk said it does not expect delays for any northbound vessels on routes stopping in Philadelphia and Charleston, but southbound vessels may experience some delays.

As part of the adjustments, the OC1 route will also omit Cartagena, Colombia, the country's main export port, Maersk said.

An unprecedented drought in Panama [significantly reduced transits of larger Neopanamax-class container ships in November](#) and December.

Container vessels that traditionally used the Panama Canal to bring Asian exports to East and Gulf Coast ports switched to the Suez Canal due to low water levels.

Those ships then began rerouting from the Suez Canal in October to avoid the threat of piracy from [Yemen's Houthi rebels](#), opting for longer ocean voyages around the Cape of Good Hope.

Maersk will continue operating its PANZ sailings that connect container ports in Los Angeles, Oakland and Seattle with ports in Australia and New Zealand.

"We are working diligently to minimize any impacts to your supply chain, and we remain in close contact with the Panama Canal Authority to ensure that we can give you timely updates," Maersk said.