Istmo de Tehuantepec in Mexico: better alternative to the Panama Canal

Comparison of routes to send hydrocarbons to the Asian market

- Mexico is an alternative to connect the hydrocarbons produced in the Gulf of Mexico with the Asian markets, through the Istmo de Tehuantepec.
- Travel time to Chiba port in Japan via the Panama Canal is calculated at 25 days. Travel time via Istmo de Tehuantepec is estimated at 17 days. This implies that shipping hydrocarbons to Asia via Istmo de Tehuantepec is 32% faster.
- Japan imported 3.1 millons of barrels per day in the period January-Octuber 2017.[3] Satisfying this demand via the Panama Canal would result in a bottleneck, since it is estimated that only 50 oil-laden vessels with a capacity of 500,000 barrels each have passed through in the same period. [4] This is equivalent to only 3% of the Japanese demand.
- Through the existing oil pipeline [5] in the Itsmo de Tehuantepec, up to 351,000 barrels per day could be transported, equivalent to 11% of Japan's demand, with the possibility of constructing new oil pipelines to increase transport capacity.

Source:

[1] SeaRates.com Digital Broker & Freight Forwarder. Considering only one way trip. Maritime transit represents a distance of 9,150 nm from Louisiana to Chiba, and 6,589 nm from Salina Cruz to Chiba. Transit time is estimated traveling at 18 knots. Average waiting time in Pana Canal is 2 days.

[2] ídem

[3] CNH's estimates with data from the International Energy Agency . Available in: https://www.jodidata.org/oil

[4] CNH's estimates with data from Panama Canal Autorithy. Available in: https://www.pancanal.com/eng/op/transit-stats

[5] PEMEX (2017) Oil pipeline Nuevo Teapa-Salina Cruz 48". Available in: http://www.pemex.com/nuestro-negocio/logistica/Documents/01%20Capacidades%20Finales%20%20Ductos%20para%20el%20BE.pdf

nm: Nautical miles