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The Panama Canal: Global Economic Pressure Point



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*Information available as of 1 April 1988
was used in this report.*

This paper was prepared by [redacted]
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and queries are welcome and may be directed to
the Chief, Geographic Issues Division, OGI, [redacted]
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The Panama Canal: Global Economic Pressure Point

Summary

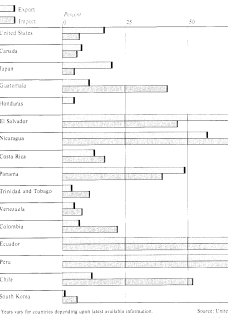
- Although the role of the Panama Canal in world trade is not minor and declining, the volume of traffic is expected to increase over the next 20 years. For these reasons, the Canal's closure would have a significant impact on the global economy.
- The Canal's closure would have a significant impact on the global economy, particularly in Latin America, where it is a major trade route.
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Canal closure would cause temporary disruptions to the global economy, but not a permanent one.

The Role of the Canal in the World Economy

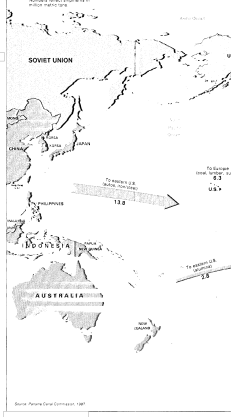
The Panama Canal is a vital link in the world's maritime trade network. It provides a shortcut between the Atlantic and Pacific Oceans, saving thousands of miles compared to the route around South America. This makes it a critical artery for global trade, particularly for commodities like oil, grain, and minerals.

Percent of Selected Countries' Total Exporting the Canal



Source: United States, Panama Canal Commission

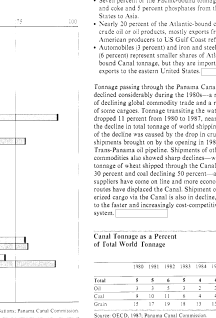
Major Shipping Tonnage Through the Panama Canal, 1987



Alternate to the Panama Canal

Several alternate routes are being explored to bypass the Panama Canal. These include the Nicaragua-Colombia route, the Venezuela-Colombia route, and the Brazil-Colombia route. Each route has its own set of challenges and potential benefits.

Canal Traffic a Percent of Total World Trade



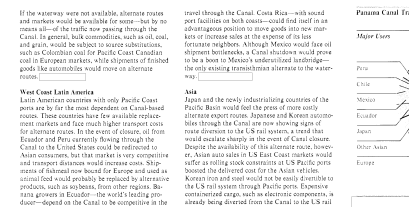
Source: United States, Panama Canal Commission

Canal Characteristics and Security Concerns

The Panama Canal is a 80-kilometer long deep water canal in the Atlantic Ocean. It is a critical link in the world's maritime trade network. The canal's closure would have a significant impact on the global economy, particularly in Latin America, where it is a major trade route.

Canal closure would cause temporary disruptions to the global economy, but not a permanent one.

Canal Traffic, 1986



Traffic Alternatives in the Event of Canal Closure

In the event of a canal closure, several alternate routes are being explored. These include the Nicaragua-Colombia route, the Venezuela-Colombia route, and the Brazil-Colombia route. Each route has its own set of challenges and potential benefits.

Special Problems for Communist Countries

Communist countries face unique challenges when it comes to using the Panama Canal. These include issues related to trade restrictions, political tensions, and the canal's role in the global economy.

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Transit Alternates to the Panama Canal

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