

# Panama Canal to get a rival waterway

LA PAZ, NICARAGUA: - A proposed waterway to rival the Panama Canal could make Nicaragua the richest country in Central America, a project official was quoted as saying Sunday (30 June).



President Daniel Ortega recently approved the US\$40bn undertaking, granting the concession to little-known Hong Kong-based company HK Nicaragua Canal Development Investment Co., known as HKND Group.

Under the deal, the company led by Chinese tycoon Wang Jing gets 50 years of exclusive rights to build and operate the canal in exchange for Nicaragua receiving a minority share of the profits.

Now Central America's poorest nation, Nicaragua may become by far the richest country in the region, claimed the La Paz daily Pagina Siete, quoting HKND's spokesman Ronald MacLean Abaroa.

MacLean Abaroa, a Bolivian former World Bank official, is a former mayor of La Paz and now serves as an advisor to HKND.

"Investment in this project is three to four times the gross domestic product of Nicaragua. There will be an effect of full employment and prosperity," he was quoted as saying.

## Environmental warnings

Environmentalists have warned that the project could spark an environmental disaster that would threaten drinking water supplies and fragile ecosystems.

MacLean Abaroa said in the past that the company was considering four possible routes for the waterway and all would necessarily go across Lake Nicaragua.

In the lake lies an island with an active volcano and some 300 small islands that serve as breeding grounds for the American crocodile (*Crocodylus acutus*), the largest reptile living in Central America and the Caribbean.

MacLean Abaroa said the waterway could generate resources to deal with environmental problems such as the cleaning up

of Lake Nicaragua and deforestation caused by endemic poverty and civil war.

The canal plan includes building ports, an airport, pipeline and a railway. A free trade zone is also planned.

The waterway is expected to be wider and deeper than the 82km Panama Canal and work on the new waterway is expected to start in May next year once a feasibility study is completed.

The Panama Canal handles five percent of world trade annually and has guided more than a million vessels through its canal system since it was inaugurated in 1914.

Source: AFP via I-Net Bridge

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