

5-25-2017

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Recommended Citation

Witte-Lebhar, Benjamin. "Is Nicaragua's Great Canal Project Dead and Buried?" (2017).
<https://digitalrepository.unm.edu/noticen/10435>

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Is Nicaragua's 'Great Canal' Project Dead and Buried?

by Benjamin Witte-Lebhar

Category/Department: Nicaragua

Published: 2017-05-25

Two-and-a-half years after developers “broke ground” on an ocean-to-ocean canal project that promised to create tens of thousands of jobs and double Nicaragua’s annual growth figures, the multi-billion-dollar venture has yet to get off the ground, recent reports suggest.

Officially, the so-called “Gran Canal de Nicaragua” (Great Nicaraguan Canal) is still a go. Neither the government of President Daniel Ortega nor its Chinese partner in the project, an untested construction firm called Hong Kong Nicaragua Canal Development Group (HKND Group), has said otherwise. And yet, there’s no evidence that the project has advanced in any meaningful way since its launch in late 2014, when HKND Group’s chairman, Chinese telecom mogul Wang Jing, traveled to Nicaragua for a confetti-covered kickoff event ([NotiCen, Feb. 5, 2015](#)).

The ceremony was always more symbol than substance. Wang might have waited for work to begin on one the project’s two deepwater ports, or for excavation to commence on the canal itself. Instead he broke ground on a single, out-of-the-way access road. Still, the message was clear: HKND Group was ready and raring to go; ready to get its hands dirty; ready to turn Nicaragua’s generations-old dream of an inter-oceanic canal into a reality. “There’s no turning back,” the billionaire investor said later that night during a follow-up event with President Ortega.

All these months later, there doesn’t seem to be any moving forward. In mid 2014, HKND Group wowed the public with talk about the project’s scale and scope. It said the canal would be between 230 and 520 meters wide; stretch 278 km from the mouth of the Río Brito, on the Pacific coast, to the end of the Río Punta Gorda, on Nicaragua’s Caribbean side; and be open for business as early as 2020 ([NotiCen, Oct. 23, 2014](#)). To date, not a single meter of the canal has been dug. Nor has work begun on any of the numerous side projects—hotels, cement and steel factories, a free-trade zone, an international airport—that were supposed to accompany the canal. Even the lonely access road Wang visited in 2014 appears to have been abandoned.

“It remains unpaved and is only used by horses from nearby farms,” the Inter Press Service (IPS) news agency reported late last month. “[It’s] just a dirt road that in winter is difficult to travel because it turns into a muddy track.”

Unanswered questions

IPS reporter José Adán Silva traveled to both of the canal’s projected end-points and saw nothing to suggest that work is underway. There is no machinery, he noted. No construction workers. No HKND Group offices. Wang himself hasn’t been back to Nicaragua since his December 2014 visit.

Also missing are the jobs and double-digit economic growth numbers the project was supposed to produce. What the venture has created is discord—particularly among people living along the canal’s projected path—and deep distrust, as Silva discovered first hand. Everywhere he visited, people were reluctant to talk.

“The silence is a matter of caution; people think you might be a government agent,” a local indigenous leader in the Punta Gorda area, speaking on condition of anonymity, told IPS. “About

two years ago, foreigners used to come and travel around by helicopter and boat from the mouth of the Río Punta Gorda all the way upstream. They were escorted by the Army and would not talk with anyone, but they have not returned.”

The “phantom canal,” as the news site The Costa Rica Star recently described it, has also produced a long list of questions that neither HKND Group nor the Nicaraguan government is willing to answer. Is the venture simply delayed, or is it downright dead? Will HKND Group ever secure the necessary funding? Is it even trying at this point? Did the recently completed expansion of the Panama Canal render the Nicaragua project redundant? Does the delay have anything to do with the more than 80 demonstrations that opponents of the canal have organized over the past several years?

Then there’s the question of the generous concession deal that the Ortega government, making use of its two-thirds “super majority” in the legislature, gave HKND Group in mid 2013 ([NotiCen, Aug. 15, 2013](#)). The government issued the deal as a binding law that gives the Chinese firm exclusive rights to “design, develop, engineer, finance, construct, possess, operate, maintain, and administer” the proposed canal for an initial, renewable period of 50 years. Ley 840, as it’s known, also gives Wang and his company eminent domain authority over any land it deems necessary for the canal or associated side projects.

It was the concession deal more than anything else that prompted campesino (agrarian worker) groups to start protesting against the canal. Residents along its projected path feared they would soon lose their property and receive minimal compensation. But even now, with the venture clearly faltering, Ley 840 continues to be a key concern.

Protestors say that even if the canal never materializes, HKND Group will retain the concession for another dozen years—until 2029. It could still seize land, in other words, for use in whatever other project it chooses to invest in. Or it could sell the property in question to other developers. The uncertainty has left area residents in legal and economic limbo. Farmers say they’re unable to secure bank loans these days.

“We all know that the canal is not going to be built,” María López Vigil, a journalist with *Revista Envío*, a Nicaraguan newsmagazine, told the German news agency Deutsche Welle last month. “Now the marches are being organized to overturn the canal law ... The high level of corruption [in Nicaragua] makes me think that the government of Daniel Ortega will end up benefiting from the project.”

Campesino resistance

The movement to block the canal and repeal Ley 840 has been led by a civil society group called the Consejo Nacional en Defensa de Nuestra Tierra, Lago, y Soberanía (Council for the Defense of Our Land, Lake, and Sovereignty). The group is based in the backwater municipality of Nueva Guinea, in eastern Nicaragua’s Región Autónoma de la Costa Caribe Sur (Autonomous Region of the South Caribbean Coast, RACCS), and headed by Francisca Ramírez, a middle-aged farmer who has become a household name in Nicaragua.

Ramírez’s role as a leading voice of opposition to the Ortega regime has taken on extra significance following last year’s presidential and parliamentary elections, which were preceded by a series of jarring power plays that cost the leading opposition group its last toehold the legislature ([NotiCen,](#)

[Aug. 25, 2016](#)). Her stature rose further still after the European Parliament (EP), the legislative body of the European Union, mentioned her by name in a February resolution ([NotiCen, March 16, 2017](#)). The EP document questioned the Ortega regime's commitment to democracy and urged it to stop "harassing and using acts of reprisal against Francisca Ramírez and other human rights defenders for carrying out their legitimate work."

Ramírez and her allies planned their latest demonstration for April 22, in the city of Juigalpa, 140 km east of Managua. Several hundred people managed to gather at the appointed meeting point, near a counter-protest hastily organized by Rosario Murillo, Ortega's wife, chief spokesperson, and vice president. But many others—including Ramírez herself—were prevented by police from making the trip. Ramírez was held up in Nueva Guinea with some 700 other activists, the opposition daily *La Prensa* reported. On the other side of the country, police blocked passage of a group that included political figures Ana Margarita Vijil, Violeta Granera, and Azahalea Solís of the opposition group Frente Amplio por la Democracia (Broad Front for Democracy, FAD).

Granera, a sociologist and civil society activist, was a vice presidential candidate in last year's election before a controversial ruling by Nicaragua's highest court forced her and her running mate, former lawmaker Luis Callejas, out of the race. Ortega went on to win the election easily ([NotiCen, Nov. 17, 2016](#)), securing his third consecutive five-year term as president and fourth overall, not counting his time as head of Nicaragua's post-revolutionary junta government (1979-1985).

"We want to avoid a bloodbath. But it seems like the government is just going to keep repressing us with the arrival of more riot police," *La Prensa* quoted Ramírez as saying on April 22. "This shows that Daniel Ortega wants to steal our lands. You can see there are more than 600 riot police here with AK-47s, shotguns, and tear gas bombs."

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