

# Environmentalists warn of Nicaragua canal disaster

June 15 2013, by Julia Rios Herrera

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Nicaraguan President Daniel Ortega (L) shake hands with Wang Jing, president of Hong Kong-based company HK Nicaragua Canal Development Investment Co., (HKND Group) in Managua, on June 14, 2013. Conservationists said Friday a proposed \$40 billion oceanic waterway to be built by HKND Group, would cause an environmental disaster threatening drinking water supplies and fragile ecosystems

A proposed Nicaraguan waterway rivaling the Panama Canal would cause an environmental disaster threatening drinking water supplies and

fragile ecosystems, conservationists said.

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

"Nicaragua is among the poorest countries in the region after Haiti," Ortega said. "This project will help us conquer our final independence."

But Centro Humboldt environmental group deputy director Victor Campos told AFP the project to link Nicaragua's Atlantic and Pacific coasts will jeopardize the watershed that supplies water to most of the impoverished country's population when it transits through Lake Nicaragua.

Under the deal, worth double the national GDP, 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.

But the rights mean HKDN will "extend, expand, dredge or reduce bodies of water and water resources that are subject to protection and conservation safeguards," according to the Nicaraguan Alliance for [Climate Change](#), which brings together 20 environmental groups.

"We have to think about it twice" before breaking ground on the project, said geographer Jaime Incer Barquero of the Nicaraguan Foundation for Sustainable Development, or FUNDENIC SOS, who also advises the government on environmental issues.

## Nicaragua approves canal project

Lawmakers approved a controversial deal Thursday allowing a Hong Kong company to build a waterway to rival Panama Canal

► Cost: \$40 billion

► Construction: starts May 2014

	 Depth	 Length	 Draft
Nicaragua Canal	22 m	286 km	20 m
Panama Canal	21 m	82 km	12.3 m
Suez Canal	13.8 m	195 km	19 m



AFP

Graphic fact file on the Nicaragua canal project. The proposed waterway rivaling the Panama Canal would cause an environmental disaster threatening drinking water supplies and fragile ecosystems, conservationists said Friday.

HKDN spokesman Ronald MacLean said 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 islets that serve as [breeding grounds](#) for the American crocodile (*Crocodylus acutus*), the largest reptile living in Central America and the Caribbean.

One of the possible canal routes would pass through the sprawling Cerro Silva nature reserve between the southern Caribbean coast and the El Rama River port, home to coastal ecosystems, wetlands and tropical forests that environmentalists warn could disappear.

Also in the path of the construction is the Punta Gorda nature reserve in the southern Caribbean, home to more than 120 species of birds, mammals, reptiles, fish, amphibians, mollusks and crustaceans.

"The natural resources involved in the construction of the canal mean it comes at a high cost" and poses "the greatest threat" to the country's ecosystems, the Nicaraguan Alliance for Climate Change said.



Police try to hold back demonstrators in front of parliament in Managua, on June 13, 2013, during a protest against a proposed \$40 billion oceanic waterway to be built by Hong Kong-based company HK Nicaragua Canal Development Investment Co., (HKND Group), which conservationists said would cause an environmental disaster.

To allay fears over potential environmental damage, HKDN announced it had hired British consultancy Environmental Resources Management

to independently assess the environmental and social impact of the routes in question.

"We are committed to ensuring the proper design, construction, and operation of the Grand Canal," Wang said at the signing ceremony, through a Chinese interpreter.

The vast leeway given to HKDN—which will have absolute powers over manning the waterway, autonomy in deciding what land should be expropriated and freedom to set fares and tolls—led opposition lawmaker Victor Tinoco to declare that "the president went crazy."

The plan also includes building ports, an airport, pipeline and a railway. A free trade zone is also set to be created.

The waterway is expected to be wider and deeper than the 82-kilometer (51-mile) [Panama Canal](#).

Work on the canal should begin in May 2014 after a feasibility study is completed.

The Panama [Canal](#) handles five percent of world trade annually, and has hosted more than one million vessels since it was inaugurated in 1914.

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