

China businessman assures Nicaragua canal success

25 June 2013, by Didi Tang



Wang Jing, chairman of Hong-Kong HKND Group, attends a press conference at a Beijing hotel Tuesday, June 25, 2013. Wang, a Chinese businessman behind the plan to build a canal in central America to rival Panama Canal said his ambitions are well researched and backed up by an experienced team, despite skepticism that the 40-year-old may not deliver the \$40 billion project. (AP Photo/Ng Han Guan)

The Chinese businessman hired to plan and perhaps build a Nicaraguan rival to the Panama Canal said the ambitious project is backed by experienced consultants and is not a joke, turning away skepticism that he can deliver the \$40 billion shipping channel.

"We don't want it to become an international joke, and we don't want it to turn into an example of Chinese investment failures," Wang Jing, chairman and owner of Hong Kong-based HKND Group, told a news conference Tuesday in Beijing.

Wang, 40, whose business history prior to 2010 is virtually unknown, received approval from Nicaragua's government earlier this month for HKND to study, and possibly build and run a shipping channel across the Central American

country. Some Nicaraguan lawmakers and residents have expressed reservations about the company's competence, given that this appears to be its first attempt to engineer any significant infrastructure project.

Wang said early assessments of the project have been favorable, taking into account future economic growth of the U.S. and China as well as the enormous Chinese appetite for mineral resources from Latin America.

"The world trade has been so developed today that it needs a new canal," Wang said. "The Panama Canal is not enough for the trade conducted currently between East and West."

He said return from the project "is sure to make every investor smile broadly."



Wang Jing, chairman of Hong-Kong HKND Group, second from left, prepares to take questions during a press conference at a Beijing hotel Tuesday, June 25, 2013. Wang, a Chinese businessman behind the plan to build a canal in central America to rival Panama Canal said his ambitions are well researched and backed up by an experienced team, despite skepticism that the 40-year-old may not deliver the \$40 billion project. (AP Photo/Ng Han Guan)

Wang said his consultants on the project have rich experience and include U.S.-based McKinsey & Co. and China's biggest construction firm, the state-owned China Railway Construction Corp.

He said his team is proposing ways to minimize risk, for example by routing the canal through the middle of Nicaragua to avoid any potential border dispute with neighboring Costa Rica. Wang said he hopes to deliver the feasibility report a year from now, and that the project would break ground by the end of 2014 and be completed in less than six years.

Wang offered little new information about himself, saying that he comes from an ordinary Chinese family in Beijing and that he studied traditional Chinese medicine before becoming a businessman.

He has invested in several industries, including telecommunications and mining. In 2010, Wang invested in the medium-sized Chinese telecommunications company Xinwei Telecom Enterprise Group. Since then he has been credited with turning it around financially, partly by expanding into overseas markets, including Nicaragua, where Xinwei was granted an operating license last November.

The company builds telecom networks and develops wireless communication technology—though its patent technology McWiLL is considered obscure. In Cambodia, Xinwei has become the latest player in the country's telecommunication market by offering phone and data services that are now available in Phnom Penh, the capital, with plans to expand nationwide.

In Nicaragua, a Xinwei contract to invest as much as \$700 million to improve the country's telecom system has so far shown little sign of any spending, leading to skepticism about Wang's competence to build a canal. "It's all a lie," opposition Nicaraguan congressman Eliseo Nunez said earlier this month.



Wang Jing, chairman of Hong-Kong HKND Group, center, arrives for a press conference held at a hotel in Beijing, China, Tuesday, June 25, 2013. Wang, the Chinese businessman behind the plan to build a canal in central America to rival Panama Canal said his ambitions are well researched and backed up by an experienced team, despite skepticism that the 40-year-old may not deliver the \$40 billion project. (AP Photo/Ng Han Guan)

Ji Yongqing, a Chinese information technology commentator, said Xinwei apparently has fit into the strategic push by China's government to help developing countries in Africa, Asia and Latin America with projects sourced with Chinese products.

"Personally, I think Xinwei's success has a lot to do with China's strategy to go out and use Chinese products in its aid projects," Ji said.

Xinwei's website has pictures of Chinese leaders, including President Xi Jinping and Premier Li Keqiang, visiting the company, indicating its likely solid government connections—a boon for any business in a country where the government controls key resources and much of the economy.

Wang said the canal project is purely a business venture with no connection to the Chinese government. China has no diplomatic relations with Nicaragua.

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APA citation: China businessman assures Nicaragua canal success (2013, June 25) retrieved 9 December 2021 from <https://phys.org/news/2013-06-china-businessman-nicaragua-canal-success.html>

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