Nicaragua has renewed an environmental permit for a Chinese company to go ahead with planned construction of a cross-country shipping canal to rival the one in Panama, a government document published Wednesday showed.

Excavation work has not yet started on the proposed 276-kilometer (171-mile) canal, which is budgeted to cost $50 billion.

The Chinese company contracted to carry it out, HKND, has been granted a 50-year concession to run the canal and pocket revenues to cover the costs, with an option to extend that period by another 50 years.

The government said the canal "is a way for Nicaragua to be able to advance economic, social, environmental and human development."