

## 拉美與兩岸

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### Will Canal Change Nicaragua-Taiwan Relations?

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**On June 13, Nicaragua's populist President Daniel Ortega signed a contract for the Nicaragua Canal project with 41-year old Chinese businessman Wang Jing without any public bidding process.**

The contract granted Hong Kong Nicaragua Canal Development Investment Co. (HKND), a little-known private Chinese company, the authority to “design, develop, engineer, finance, construct, possess, operate, maintain and administer” the Great Nicaragua Canal mega project.

Estimated to cost \$40 billion, the project includes an inter-oceanic canal, an oil pipeline, an inter-oceanic “dry canal” freight railroad, two deep water ports, two international airports and a series of free-trade zones along the canal route. The canal will be wider than the Panama Canal to accommodate the newest generation of supertankers. It is clear from the scope of the project that the Nicaragua Canal not only economically challenges the Panama Canal, it also politically challenges America's traditional sphere of influence in Central America.

The agreement, which was passed by the Ortega-controlled Nicaraguan congress after less than 4 hours of public debate, gives Wang's HKND a 30-year concession to build the canal, with an option to run it for an additional 50 years. Even more controversial, Wang's companies have no experience in building canals. In the words of

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<sup>1</sup>本文原發表於，Sharnoff's Global Views 香港《The Glocal》網站，2013年6月27日，感謝作者惠允轉載

Andres Oppenheimer, “this is still a very shady deal, signed by one of Latin America’s least democratic presidents, without public bidding, to a Chinese businessman nobody knows much about”

There are three possible explanations for the deal.

Scenario A: It is part of Ortega’s pork barrel scheme. Wang’s Company is expected to pay for just the canal feasibility studies over the next year. Until now, both Chinese and American governments distance themselves from the project. No wonder Oppenheimer asked whether “Nicaragua canal [is] a big dig — or a big scam?” However, since Ortega is a second-term president, the Project may be part of his own pork barrel scheme.

Scenario B: The Project shows Ortega’s determination to deepen relations with China. As a leftist in nature, President Ortega broke diplomatic relations with Taiwan in 1985. Although President Chamorro reestablished relations with Taiwan in 1990 after being elected as president, Ortega announced again that he would establish diplomatic relations with China before his inauguration in 2006. But he was disappointed by Beijing’s cold shoulder and this project may be a calculated good-will gesture towards China.

Scenario C: Win-win for relations across the Taiwan Strait. This project may also be a signal to Taipei that continued Kuomintang (KMT) governance will benefit Taiwanese economic interests. As long as the Democratic Progressive Party is kept from winning next presidential election, Beijing is willing to show more good-will to the governing KMT by allowing Taiwan to join the project.

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