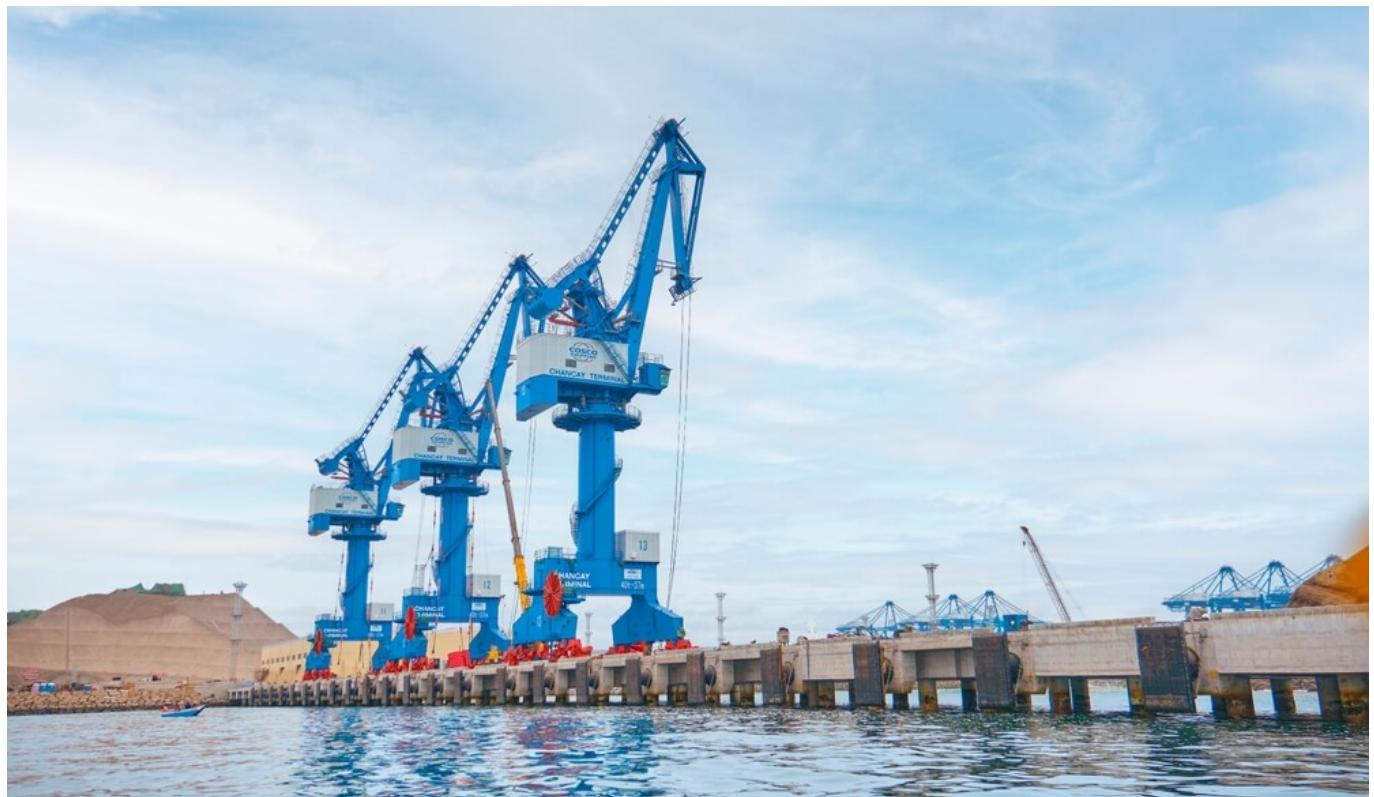




By: TA | AP Brief

US warns that Peru could lose its sovereignty to China



The Trump administration on Wednesday expressed concern that China was costing Peru its sovereignty in solidifying control over the South American nation's critical infrastructure, a blunt warning after a Peruvian court ruling restricted a local regulator's oversight of a Chinese-built mega port.

The \$1.3 billion deepwater **port in Chancay**, north of Peru's capital of Lima, has become a symbol of China's foothold in Latin America and a lightning rod for tensions with Washington.

The U.S. State Department's Bureau of Western Hemisphere Affairs said on social media that it was "concerned about latest reports that Peru could be powerless to oversee Chancay, one of its largest ports, which is under the jurisdiction of predatory Chinese owners."

It added: "We support Peru's sovereign right to oversee critical infrastructure in its own territory. Let this be a cautionary tale for the region and the world: cheap Chinese money costs sovereignty."

The concern comes as the Trump administration seeks to assert dominance over the Western Hemisphere, where China has long built influence through **massive loans** and high trade volumes.

Chancay, along the Pacific coast, is part of Beijing's Belt and Road initiative, an infrastructure program that has seen Chinese state-owned banks offer sizable loans or financial guarantees to construct seaports, airports and highways, among other projects, across multiple continents.

As Latin America's deepest port, Chancay is capable of berthing some of the world's largest cargo ships traveling between Asia and South America. China has been Peru's biggest **trading partner** for more than a decade now.

Cosco dismissed the U.S. claims

China's state-owned shipping and logistics company Cosco, a majority shareholder in the port, dismissed the U.S. claims.

In response to questions from The Associated Press, it said the court ruling "in no way involves aspects of sovereignty" and insisted that the port remains "under the jurisdiction, sovereignty and control of Peruvian authorities, subject to all Peruvian regulations."

It added there were plenty of Peruvian authorities monitoring the port's activities, including police forces, environmental regulators and customs officials.

The ruling orders Peruvian authorities to refrain from exercising powers of regulation, supervision, oversight and sanction over the port in Chancay

The ruling issued Jan. 29 by a lower court judge orders Peruvian authorities to refrain from exercising "powers of regulation, supervision, oversight and sanction" over the port in Chancay.

The regulator, Ositran, which has oversight over all of the country's other major ports, said it would appeal the decision, arguing that there was no reason to exempt Cosco Shipping from the agency's oversight.

"(Cosco Shipping) would be the only company providing services to the public that could not be supervised," Verónica Zambrano, president of Ositran, told a local radio station Wednesday.

Although it's privately owned, the Chancay Port covers 180 hectares (about 445 acres) of Peruvian territory, Zambrano added, making it subject to government efforts to monitor and enforce compliance with local user protection standards.

Peru's Foreign Ministry declined to comment. China's Embassy in Peru did not respond to a request for comment.