



By: TA | AP Brief

Panama seizes 2 key canal ports from Hong Kong operator



The Panamanian government seized two ports at the entrances of the Panama Canal on Monday according to a Hong Kong-based company that has operated them for decades, a move triggered by a final **Supreme Court ruling** that declared the company's concession unconstitutional.

A decree issued Monday authorized the Panama Maritime Authority to occupy the ports for "reasons of urgent social interest," including all movable property within or outside the Balboa and Cristóbal terminals and specifically naming cranes, vehicles, computer systems and software.

A statement from the operator, CK Hutchison, said it had ceased operations at the ports after government officials arrived and took them over, threatening criminal prosecution if the company did not comply.

The saga surrounding the two Panamanian ports is part of a broader **rivalry between the United States and China**, in which the Central American country became caught in the middle after U.S. President Donald Trump accused China last year of "running the Panama Canal."

CK Hutchison was slated to sell the two ports to a consortium that includes U.S. investment firm **BlackRock**, but this prompted swift intervention from the Chinese government, which halted the deal.

In January, Panama's Supreme Court struck down the law approving the concession contract for Panama Ports Company, a subsidiary of CK Hutchison.

The ruling also invalidated an extension granted in 2021, stripping the port operations of any legal basis.

Panama's government will guarantee the continuity of port operations

PPC said in a statement that it strongly objects

to the government takeover. The company said it has received no compensation for its decades of investment.

"The takeover of the ports by the Panamanian State is a culmination point of the unlawful campaign that the State launched a year ago targeting PPC, its investors and its concession contract," the statement said.

PPC has operated these terminals since 1997, when the state awarded it the concession to manage the ports located at the Pacific and Atlantic entrances to the Panama Canal.

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Panama's government announced days ago that it will guarantee the continuity of port operations and job stability, and that APM Terminals, a subsidiary of the Danish group A.P. Moller-Maersk, would temporarily assume the administration of the terminals while a new contract is awarded.

Meanwhile, **CK Hutchison Holdings** started arbitration proceedings against Panama under the rules of the International Chamber of Commerce.

It's unclear what the impact of the proceedings would be and how long they could take.

It also threatened to sue APM Terminals, if it operates the concession. The Danish group responded that it's not a party to the legal proceedings.

A PPC spokesperson told local media last week that the company was seeking an agreement with the Panamanian government to continue operating.