

Panama Canal Expansion Stalled Over Cost Overrun Dispute



Panama City, February 6 (RHC) -- Expansion work on the Panama Canal has virtually stalled amid an ongoing cost overrun dispute between the Panama Canal Authority (ACP) and the multinational consortium, Grupo Unidos por el Canal (GUPEC), the canal authority announced Wednesday.

ACP Administrator Jorge Quijano said the consortium led by Spanish builder Sacyr had halted work after negotiations broke down, but the company later announced that it made a “final offer” to prevent a complete shutdown.

The two sides have argued since December over unforeseen expenses in a project to widen the canal to accommodate massive cargo ships in the century-old waterway which handles five percent of all global maritime trade.

Quijano said the ACP would continue expansion works with or without the construction consortium and threatened to rescind the contract unless work resumed.

The Spanish-led consortium includes Spain's Sacyr Vallehermoso, Italy's Impregilo, Belgium's Jan de Nul and Panama's CUSA.

It is still unclear if the two sides will reach an agreement on how to deal with extra costs, however, Quijano

said, the ACP is willing to continue talking to find a solution.

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