

Panama Hopes to Settle Dispute with Consortium to Resume Canal Expansion



Panama City, February 13 (RHC) -- The Panama Canal Authority (ACP) hopes to settle a financial dispute by next Tuesday with the international consortium in charge of the canal expansion so as to resume the project, an ACP official told reporters.

If Panama and the Spanish-led Grupo Unidos por el Canal (GUPC) consortium reach an agreement, the project that was suspended last week could be resumed, ACP Administrator Jorge Quijano told the Panamanian National Assembly (unicameral) lawmakers.

GUPC, financed by Spain's Sacyr Vallehermoso, Italy's Impregilo, Belgium's Jan de Nul and Panama's CUSA, suspended the canal expansion work after claiming the ACP should pay some 1.6 billion U.S. dollars for cost overruns resulting from its faulty preliminary studies of the project.

Quijano warned that ACP would have to choose another course if the two sides failed to reach an agreement, which would impact the Panamanian economy and the image of the canal. He had previously noted that the ACP may have to cancel its contract with GUPC and take over the remaining work.

It was important to reach a solution as soon as possible to resume the expansion project, 70 percent of which has been completed, said the official.

Some progress has been made in talks with GUPC, but details needed to be defined, including the participation of Zurich Insurance Group in the project.

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