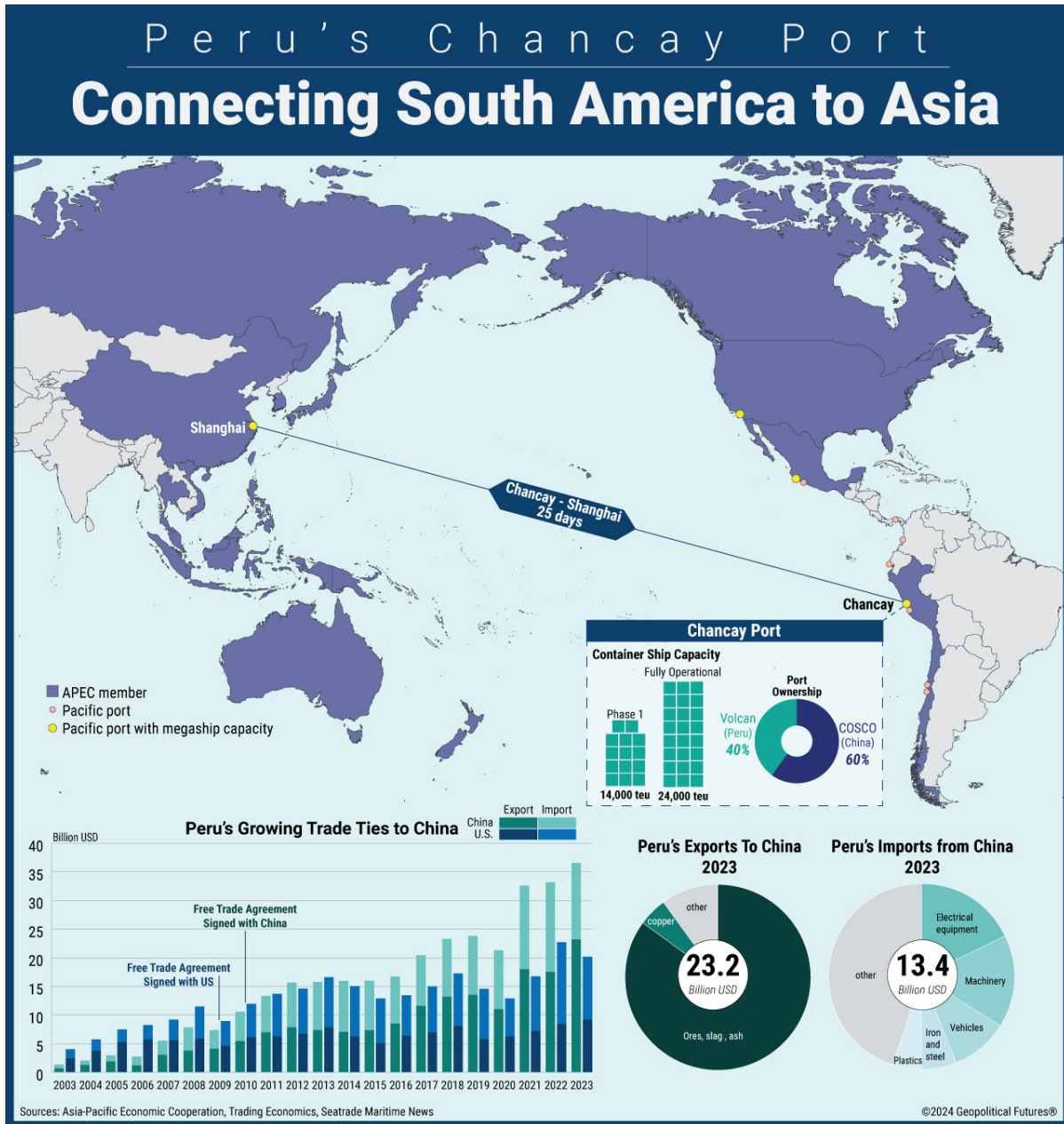


# China and Peru Open New Megaport

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China's high demand for raw materials and Peru's capacity to supply them are driving the two countries' deepening trade ties. The opening of the Chancay Port bolsters these ties, alongside China's investments in Peru's mining sector. It also aligns with the modernization of the Peru-China free trade agreement, which now includes updated chapters on competition, e-commerce, global supply chains, standards and environmental cooperation. Other revisions cover rules of origin, customs procedures, trade in services, investment and intellectual property, paving the way for increased Chinese investments in Peru's infrastructure, telecommunications and transportation.

But the port's launch has also sparked criticism. Opponents fear it could enable Chinese dumping, divert trade from nearby ports or serve military purposes. Peru insists its partnership with China won't undermine its ties with the United States, though Washington remains uneasy about Chinese shipping giant Cosco's involvement in the port. Chile also views Chancay as a potential challenge to trade and transit at its key ports in San Antonio and Valparaiso. In response, Chile has announced an initial \$1.3 billion investment, potentially rising to \$4 billion, to expand port capacity and maintain competitiveness.

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