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Chancay´s Port

A Game-Changer for the Global Trade between the Americas and Asia-Pacific

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The Port of Chancay is undoubtedly one of the most ambitious engineering projects in recent years in Latin America. Following its inauguration on November 14, it is expected to significantly boost future trade with Asia, particularly with key markets such as China, Japan, Taiwan, South Korea, Thailand, and Singapore. The project will also create multiple alternative routes, leading to increased foreign currency flows and revenues in the region.

Chancay has garnered such attention in China that President Xi Jinping attended the inauguration of the mega-port alongside Peru's President Dina Boluarte. Unsurprisingly, the Asian giant has been a key player in financing this massive infrastructure. As we can see from the port´s main slogan: “From Chancay to Shanghai”.

One of the most promising opportunities created by Chancay is the strengthened ties it will foster between Peru and its neighboring countries. Chile, Ecuador, Brazil, Bolivia, Colombia, and Argentina stand to benefit from the new commercial routes. Analysts estimate that the port will reduce shipping times to the Asia-Pacific region, home to over three billion people, by at least 10 days. This time-saving advantage is expected to significantly impact one of the world's largest consumer markets.

For Peru, constructing this mega-project aligns perfectly with its economic goals, trade ambitions, and international geopolitical vision. Currently, 90% of Peru's exports are shipped via maritime routes, and 50% of these are destined to Asia, with China being the largest trading partner. Copper, Peru’s primary export, plays a central role in this relationship, as nearly 20% of Peru's mineral production is controlled by Chinese-operated ventures.

Simultaneously, the region will experience a significant boost in productivity and competitiveness. Ships docking at Chancay will have a higher capacity than those transiting the Panama Canal, which is limited to vessels carrying up to 14,000 TEUs (Twenty-foot Equivalent Units). In contrast, Chancay's port will accommodate vessels of up to 24,000 TEUs. This increase in capacity will dramatically reduce per-unit and transportation costs for goods leaving or entering the port. Many companies will quickly see their transaction costs drop due to the efficiency of these new routes, driving greater competitiveness and fostering further investment in innovation, including new industries, technologies, and products.

The port is also poised to drive specialization and cost reduction through the clustering of businesses. More companies are likely to establish themselves near the region, forming networks that share services, costs, and knowledge—a dynamic often seen in commercial, industrial, and technological hubs.

However, it is worth considering the potential strugglers in this new dynamic. Analysts predict that northern countries, particularly the United States and Mexico—with their ports in Long Beach and Manzanillo, respectively—will feel the impact of reduced cargo volumes for imports and exports. Both countries will enter 2025 under new governments following their 2024 elections, and their political and economic approaches could not be more different. Bilateral relations, already strained by issues such as illegal migration, insecurity, drug trafficking, and potential tariff increases by the U.S. on companies relocating production to Mexico under nearshoring, may further deteriorate due to the revenue losses anticipated with the activation of Chancay.

Another key factor highlighting the importance of this port is the wave of technological innovation Chinese companies will bring to the continent. The Port of Chancay is poised to compete with the world's leading "smart ports," such as Qingdao in China and Rotterdam in the Netherlands. The latter, for instance, employs cloud computing technology in its operations.

The primary technologies to be implemented in Chancay include automation, 5G connectivity, facial recognition, and renewable energy solutions. 5G technology will enhance bandwidth and enable the interconnection of port equipment such as cranes and unmanned smart vehicles. Meanwhile, facial recognition will facilitate more dynamic and efficient entry and exit processes by quickly identifying transport operators. Automation, on the other hand, will allow for continuous 24-hour operations, a feature currently absent in other ports across the region.

Overall, the Port of Chancay showcases Peru's strategic vision in global trade and regional integration. As one of Latin America's most ambitious infrastructure project, it promises to redefine commerce with Asia through shorter shipping times, greater volume capacity, and cutting-edge technology, becoming South America's first smart port. Strengthening economic ties with neighbors and boosting regional competitiveness, Chancay also challenges established trade routes in the U.S. and Mexico. This bold step positions Peru as a stronger player in international commerce, blending innovation, geopolitics, and economic ambition.

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Founded in 2013 in Doha (Qatar) by ESG experts and university professors, Embellie Advisory is a consultancy providing ESG expertise and Risk Assessments for sustainable investments in emerging countries in Americas, Africa, West and South East Asia.

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