

Chinese Billionaire Says Nicaragua Canal Has Found Investors (1)
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(Updates with comments from Wang from fifth paragraph.)

By Bloomberg News

June 25 (Bloomberg) -- Wang Jing, the Chinese billionaire behind a \$40 billion plan to cut a canal through Nicaragua, said he's successfully attracted global investors for a project that has been on the drawing board for more than 150 years. Work on the waterway should start by the end of 2014 and be completed within six years, Wang, chairman of Hong Kong-based HKND Group, a privately-held infrastructure development company he wholly owns, said at a press briefing in Beijing. He didn't identify any of the investors.

Nicaragua's Congress earlier this month granted a 50-year concession to Wang for rights to build the canal. The Central American country has attempted to construct an inter-oceanic channel on several occasions since the mid-1800s without success.

The project has political, financing and engineering risks, Wang said, without elaborating. Nicaragua's government estimates the cost will be \$40 billion, or more than four times the country's 2011 gross domestic product. It will compete with Panama's century-old canal, which is undergoing a \$5.25 billion expansion project that will allow larger ships to pass through a new set of locks.

Nicaragua government gave HKND "a lot of guarantees and a lot of benefits" in areas including land use and tax incentives, Wang said, adding that there is no relationship between HKND Group and the Chinese government.

"Facing unprecedented challenges, we confidently head forward," Wang said at a June 14 ceremony in Managua with President Daniel Ortega, according to a transcript on Xinwei's website. "Let us join hands to the great trumpet sound of human self-improvement."

'Day of Hope'

Wang, 40, recalled at the press briefing that he later encountered a sixty-something "ordinary Nicaraguan" woman who asked if she could give him a hug, telling him that the agreement brought a "day of hope for the poor of Nicaragua."

"It is no longer a pure investment, it has become a historical milestone," Wang told reporters. "So I don't want it to become a joke or an example of a failed overseas Chinese enterprise."

When asked about the environmental impact he said they would take steps to protect the environment.

“Neither I nor the investor group wants our names dragged through the mud of history,” Wang said.

History of Plans

Other companies may benefit more from the canal project than his, said Wang, a Beijing native. The idea to construct the canal did not originate from him, he said, without elaborating. In 1850, the United States and Great Britain negotiated a treaty over a proposed canal through Nicaragua, according to the U.S. State’s Department website. The plan failed and the Panama Canal was later built as a shipping route through Central America.

Wang has business interests in infrastructure, mining, aviation and telecommunications, according to HKND’s website. He controls or serves as board chairman of more than 20 companies in 35 countries around the world, the website shows.

Wang is the chairman and biggest shareholder of closely held Beijing Xinwei Telecom Technology Co., which owns core technology used in China’s homegrown standard for third-generation mobile services. Wang said the company’s goal is to become one of the world’s top three telecommunications companies in five to 10 years, according to the company’s website. Xinwei signed a contract last year worth as much as \$300 million to set up a phone network in Nicaragua.

His 37 percent stake in the company is worth about \$1.1 billion, according to the Bloomberg Billionaires Index. A coterie of China’s top leaders, including President Xi Jinping, Premier Li Keqiang, Vice Premier Zhang Dejiang and top anti-corruption official Wang Qishan have visited the company, according to its website.

Responding to questions about his background, Wang said that he had no government connections and had studied traditional Chinese medicine in Beijing.

“I am a very ordinary Chinese person,” he said. “I can’t be any more ordinary.”

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