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Ocean Updates

Panama Court Is Asked to Cancel Hong Kong Firm's Contract to Run Canal Ports

Two Panamanian lawyers have lodged a lawsuit with the country's supreme court in an attempt to cancel a Hong Kong-based company's concession to operate two ports at either end of the Panama canal. Their complaint – filed a day after the U.S. secretary of state, Marco Rubio, told Panama's president, José Raúl Mulino, to reduce China's alleged influence on the canal – argues that the contract for the two ports is unconstitutional.

If the case is admitted by the court – and the argument is accepted – it could lead to the swift revocation of the contracts, and a victory for Donald Trump's campaign to push back against Beijing's presence in the Central American country.

A subsidiary of CK Hutchison Holdings, owned by the Hong Kong billionaire Li Ka-shing, has operated two of the canal's five ports since it won the tender in 1997.

"After a detailed analysis of the contract ... we decided that an action for unconstitutionality was the appropriate means" to challenge the concession, said Julio Macías, one of the lawyers behind the suit.

Panama's government is anxious to avoid a scenario in which the U.S. takes the canal by force – or obliges them to meaningfully change the fee structures that are applied equally to ships of all countries and based on market conditions.

Read more in an [article from The Guardian](#).

Government of Canada Invests in Port Infrastructure for Atlantic Canada

On February 5, Minister of Transport and Internal Trade Anita Anand announced an investment of up to \$25 million for the Halifax Port Authority. This investment is intended to bolster both

environmental sustainability and supply chain efficiency, while actively supporting decarbonization efforts in the transportation sector and strengthening infrastructure resiliency.

The investment covers:

- Up to \$22.5 million, under the Green Shipping Corridor Program, to accelerate development of the Halifax-to-Hamburg green shipping corridor by:
 - preparing to host and potentially refuel alternative fuel-powered vessels;
 - establishing a hydrogen production facility;
 - electrifying port equipment to reduce emissions; and
 - acquiring an electric rail locomotive and launching an incentive program to shift freight traffic from road to rail.
- \$2.5 million for the Ship to Shore Crane Infrastructure project, under the National Trade Corridors fund, to relieve supply chain congestion, expand terminal capacity, and increase speed and efficiency when servicing larger vessels at the Port of Halifax.

Read more in a [press release from Transport Canada](#).

Rail Updates

CPKC, United Steelworkers Reach Tentative Agreement

Canadian Pacific Kansas City announced on February 5 it has reached a tentative four-year collective agreement with United Steelworkers (USW), representing approximately 600 clerical and intermodal employees in Canada.

Details of the tentative collective agreement will not be released publicly until the agreement has been ratified.

The tentative agreement is the third CPKC has reached this year in Canada.

Read more in an [article from Progressive Railroading](#).

International Business/Government

Minister Ng Announces Successful Conclusion of Free Trade Agreement Negotiations Between Canada and Ecuador

Mary Ng, Canada's Minister of Export Promotion, International Trade and Economic Development, on February 4 announced the successful conclusion of free trade agreement negotiations between Canada and Ecuador.

Once ratified in both countries, the Canada-Ecuador Free Trade Agreement will open new markets for Canadian businesses. By making it easier to trade goods and services, this

agreement will benefit importers and exporters, businesses, investors and consumers in both countries, creating a more transparent and predictable environment for trade and investment.

In 2022, Ecuador was the sixth-largest economy in South America, with a population of 18 million and a GDP of \$118.84 billion (2023). From 2018 to 2023, Canadian foreign direct investment in Ecuador tripled to \$4.4 billion, making Canada one of the largest foreign investors in Ecuador.

This agreement underscores Canada's commitment to diversifying its trade relationships and reducing its reliance on any single partner. Since the launch of Canada's Trade Diversification Strategy in 2017, Canada has accelerated its efforts, resulting in 15 free trade agreements covering 51 countries and representing nearly two thirds of global GDP.

Read more in a [press release from Global Affairs Canada](#).