

## Peruvian port gets US\$975 million from Hong Kong investor

Elliott Hodgkin  
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*Credit: Shutterstock/Mr. Amarin Jitnathum*

Payet, Rey, Cauvi, Pérez Abogados in Lima has helped the Peruvian subsidiary of Hong Kong-listed maritime group COSCO Shipping Ports obtain a US\$975 million financing to develop a local port.

Mayer Brown LLP in Hong Kong and Garrigues (Peru) advised the syndicate of lenders, while Shearman & Sterling LLP and Rebaza, Alcázar & De Las Casas advised local mining company Volcan, a stakeholder in the Peruvian subsidiary.

Latin Lawyer understands that UK firm Holman Fenwick Willan also advised COSCO, while the lenders also turned to offshore outfit Appleby, but Latin Lawyer could not confirm this before publishing.

The deal closed on 28 March.

The loan facility has a 15-year term. COSCO will use the funds to build a multipurpose port in the city of Chancay, some 55 kilometres north of Lima.

The company expects the first section of the US\$3.6 billion project to be operational by the end of next year. Once complete, the port will have the capacity to process 1 million standard shipping containers a year and will feature several operational assets, an entrance complex and a 1.8-kilometre underground tunnel.

The Chinese parent company of COSCO **began** developing the port as a joint venture with Volcan back in 2019. China COSCO Shipping holds a 60% stake in the project, while Volcan owns the remaining 40%.

The project is projected to boost trade between the two countries, which is currently facilitated through the China-Peru Free Trade Agreement.

Port projects are increasingly prominent in Peru, with investment in the industry growing by 20% in 2022, to US\$119 million. In a recent transaction, the operator of Peru's Salaverry port **obtained** a US\$115 million private placement to double its current vessel capacity. Garrigues' Lima office also participated in that deal.

COSCO Shipping Ports' parent group – China COSCO Shipping – is one of the world's largest maritime logistics operators. Its vessels can carry up to 113.82 million tonnes of freight.

**Counsel to COSCO Shipping Ports Chancay Perú**

In-house counsel – Valeria Ferrero, Anabel Contreras and Diana Mariaca Torres

Payet, Rey, Cauvi, Pérez Abogados

Partner Giovanna García and associate Regina Odar in Lima

#### **Counsel to Volcan**

In-house counsel – Alfonso Rebaza and Anahi Com

Shearman & Sterling LLP

Partners Augusto Ruiloba and Cynthia Urda Kassis in New York

Rebaza, Alcázar & De Las Casas

Partners Alberto Rebaza and Luis Miguel Elías, and associates Rafael Santin and Josefina Arana in Lima

#### **Counsel to Bank of China, Bank of Communications, China Minsheng Banking Shanghai Pilot Free Trade Zone Branch, Shanghai Rural Commercial Bank, Bank of China (Hong Kong) and Bank of China (Peru)**

In-house counsel to Bank of China (Peru) – Silvana Puente

Mayer Brown LLP

Partners Hallam Chow and Boya Shen in Hong Kong\*

Garrigues (Peru)

Partner Diego Harman and associates Maria José Cardoza and Eduardo Ortega in Lima

\*Both partners moved to Haiwen & Partners in September 2023.

*This article was updated on 21 February 2024 to include details of Mayer Brown LLP's counsel.*

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