

Informed decision: China Communications Construction Company withdraws from the construction of the Port of São Luís in the state of Maranhão

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Paulina Garzón

Executive Director at Latinoamérica Sustentable (LAS)

Last August, **according** to various media sources, China Communications Construction Company (CCCC) confirmed their withdrawal from the construction of the Port of São Luís in the state of Maranhão (Brazil) apparently due to lack of financing. The construction of the Port **promised to promote** even more the trade of agricultural commodities, which would result in higher income for Brazilian exporters and lower transport expenses for Chinese importers. The construction of the Port would allow the stewardship of up to 400 vessels per year. The project's extension is of 338 hectares, out of which 200 of them are also part of the Cajueiro territory and home to 2,500 people. In this project also participate the Brazilian companies Lyon Engeñaría and WPR – San Luis Administración de Puertos e Terminales S.A. (currently, TUP Puerto San Luis S.A.), subsidiary of the construction company WTorre. These companies are also selling their shares of the partnership.

Since 2017, Grupo de Estudio sobre Desarrollo, Modernidad y Medio Ambiente (GEDMMA) in a joint effort with community-based organizations, unionists, residents, farmers, environmentalists and



Picture taken from Vías de Fato



Diego de Robles y Pampite Esquina,
Edificio Impaqto. Quito-Ecuador

- Teléfono: (+593) 2 602 2078
- Email: info@latsustentable.org
- Web: <http://latsustentable.org>

human right organizations, and even the [Ombudsman Office of the State of Maranhão](#), and the National Council of Human Rights [informed](#) the China Banking and Insurance Regulatory Commission (Chinese state banks' watchdog), the Industrial and Commercial Bank of China (ICBC), the China Banking Association, the Ministry of Commerce in China, the State-owned Assets Supervision and Administration Commission of the State Council, the Ministry of Ecology and Environment in China, the International Association of Chinese Contractors, the Chinese Embassy in Brazil, and the Chinese Consulate in Rio de Janeiro about the irregularities that have characterized the project from its beginning. For example, the organizations informed that the environmental licenses for the expansion of the Port of São Luís were contested in the judicial process held in state and federal courts because the company presented land ownership titles that were not legal.

On December last year, GEDMMA, along with the Collective on Chinese Financing and Investment, Human Rights, and Environment (CICDHA, for its acronym in Spanish), the International Service for Human Rights, and other social organizations presented the [“Human Rights Extraterritorial Obligations of China in Respect of Business Activities in Latin America”](#) report to the Committee on Economic, Social and Cultural Rights. The Port of São Luís was presented as one of the examples in which Chinese companies and financiers commit acts that go against international conventions and treaties for the protection of human rights which are ratified by the Chinese government. The report noted that approximately 70 families from the Cajueiro community had been forced to evacuate their lands, and that another 550 families were under constant threat of forced eviction.

It is difficult to determine what have been the reasons for the lack of interest of Chinese banks to support CCCC so that it can maintain its participation in the project. However, we can anticipate that the communications from the Brazilian organizations to the Chinese authorities provided ICBC and Chinese regulators with valuable information to assess the risks of the possible investment.



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