

Panama Ports Deal Hits Impasse as China Makes New Demands for Its Approval

Beijing threatens to block BlackRock-led deal to buy ports unless state-owned Cosco gets a majority stake

By
[Costas Paris](#)
Follow

Dec. 16, 2025 12:57 pm ET

President [Trump](#)'s push to loosen China's influence in the Panama Canal has hit a wall now that Beijing is demanding that China's largest shipping company get a controlling stake in a deal to sell dozens of ports to a [BlackRock BLK](#) -1.30%decrease; red down pointing triangle-led group.

The proposed sale includes two ports at the Panama Canal and more than 40 others around the world, all controlled by Hong Kong-based [CK Hutchison 1](#) -2.10%decrease; red down pointing triangle. BlackRock and containership operator Mediterranean Shipping Co. [reached a \\$22.8 billion agreement](#) in March to buy them after Trump [raised security concerns](#) about Hutchison's—and the ports'—connection to China.

That deal [angered Beijing](#) and, after initially pushing for China's Cosco to be brought in as an equal partner, it has now upped its demands, according to people familiar with the talks. China is threatening to block the deal unless Cosco gets a majority stake, they say.

BlackRock and MSC had been open to [offering Cosco an equal stake](#), but the demand for majority control and veto rights in running the ports is unacceptable, those people say. The White House signaled Monday that it, too, wouldn't accept such conditions.

"The President has made clear that Chinese control of the Panama Canal is unacceptable, violates the U.S.-Panama Treaty, and jeopardizes our national and economic security," a White House official said.

The deal is now at an intractable impasse, people involved in the talks say. A senior Chinese official said that Beijing aims to make control of the ports a negotiating point in the [U.S. and China's broader talks over trade and tariffs](#).

Meanwhile, Hutchison continues to own and operate the Panama ports. The Trump administration had originally threatened to take control of the canal, saying China had too much influence because Hutchison is a Hong Kong-based company and that could threaten U.S. access to the waterway.

Hutchison and Cosco didn't respond to requests for comment on the latest demands from Beijing, and MSC and BlackRock declined to comment. In August, Hutchison's co-managing director Frank Sixt told analysts and investors that "a deal of this size and complexity" wouldn't be completed until 2026. Though it was taking longer than expected, he wasn't troubled, he said.

"The ports group are having a very good year," he said at the time.

Hutchison's ports revenue rose 9% from a year earlier in the first half of 2025, buoyed by higher shipping volumes around the world as customers stocked up on goods before U.S. tariffs kicked in. The conglomerate's shares have climbed more than 30% in Hong Kong this year.

Millions of U.S.-destined containers are unloaded and reloaded every year at Hutchison's Balboa and Cristóbal ports on the Canal. Overall, more than 40% of all U.S. container traffic uses the waterway to ship goods between Asia and the Americas, according to the Panama Canal Authority.

Chinese officials have told BlackRock, MSC and Hutchison that if Cosco is left out of the deal, Beijing would take steps to block Hutchison's proposed sale, according to people familiar with the deal talks.

In past global mergers, China's Commerce Ministry has asserted rights to review a deal, sometimes insisting on changes that can appear politically motivated. China also has significant leverage over the parties involved in the Panama Canal ports deal. BlackRock and Hutchison have business interests in China, and MSC is one of the biggest movers of Chinese exports around the world.

In 2014, Beijing blocked three Western companies from [forming a shipping alliance](#) that could have hurt its trade interests. In that case, China scuttled a deal between MSC, Denmark's [A.P. Moller-Maersk](#) and France's CMA CGM in which the companies would have shared vessels and port calls worldwide.

The Panama Canal Authority, meanwhile, is proceeding with plans [to sell two plots of land](#) on either side of the waterway to be developed into container ports. The head of the authority, Ricaurte Vásquez Morales, said he expected the bidding to be completed by January and for bids to come in from some of the world's biggest shipping operators.

APM Terminals, the port unit of A.P. Moller-Maersk, and CMA CGM will both make offers, according to people familiar with the process. In April, Maersk bought the Panama Canal Railway Co., which operates a 47-mile line along the waterway and moves containers between the Pacific and Atlantic oceans.

Vásquez said he estimated the new concessions would add around \$500 million to the Panama Canal's roughly \$5 billion in annual revenue. Cosco, which operates terminals in a number of ports, including in Hamburg, Athens, Rotterdam and Genoa, is barred from bidding for the new Panama ports because it is a government entity, he said.

