



Written by [denz](#) on January 30, 2026

## Hong Kong company's concession to operate Panama Canal ports is ruled unconstitutional

Panama CityAP —

Panama's Supreme Court ruled late Thursday that the concession held by a subsidiary of Hong Kong's CK Hutchison Holdings to operate ports at either end of the Panama Canal was unconstitutional, an outcome that advances a [U.S. aim to block any influence by China](#) over the strategic waterway.

The court's ruling followed an audit by Panama's comptroller, which alleged irregularities in the 25-year extension of the concession granted in 2021.



The Trump administration made blocking China's influence over the Panama Canal one of its priorities in the hemisphere. Panama was U.S. Secretary of State Marco Rubio's first overseas stop as the United States' top diplomat.

Despite the insistence by Panama's government and the canal authority that China has no influence over its operations, Rubio made clear that the U.S. viewed the operation of the ports as a [national security issue](#) for the U.S. President Donald Trump had gone so far as to say Panama should return the canal to U.S. control.

The court's brief statement gave no guidance on what would happen to the ports now.

Political analyst Edwin Cabrera said the next procedural step will be notifying the parties of the court's decision. Then the issue of what to do with the ports goes to Panama's executive branch, specifically the Panama Maritime Authority.

"I have the impression from conversations that I have had with some people that the operation (of the ports) will not stop," Cabrera said.

CK Hutchison Holdings announced a [deal last year to sell its majority stake](#) in the Panamanian ports and others around the world to an international consortium that included BlackRock Inc. But the deal appeared to stall over [objections by the Chinese government](#).

In parallel, Panama's comptroller audited the concession to the Panama Ports Company, which had held the contract to operate the ports since 1997. The concession was renewed in 2021 for 25 years, during the prior Panamanian administration.

Comptroller Anel Flores said the audit found payments that were not made, accounting errors and the apparent existence of a "ghost" concessions operating within the ports since 2015. The company denied those allegations.

The audit determined that the irregularities had cost the government about \$300 million since the concession was extended and an estimated \$1.2 billion during the original 25-year contract.



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Flores also said the extension was granted without the required endorsement of his office.

On July 30, the comptroller challenged the Panama Ports Company's contract to operate the ports before the Supreme Court.



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