

## The Port of Chancay, the Belt and Road Initiative, and Peru's economic developmen

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### ABSTRACT

This article examines the Port of Chancay's role in China-Peru relations, arguing that it deepens Peru's extractivist economy and dependence. Peru is a dependent capitalist economy mainly supplying resources to advanced countries and China. While the port promises GDP growth, jobs, and logistical integration, these benefits largely exclude most people, reinforcing an exclusionary, super-exploitative model with high informality. The study highlights that Chinese investment is part of a geoeconomic strategy to secure resources, cut costs, and increase China's influence over Peru and Latin America.

**PALABRAS CLAVE:** Peru; China; geoeconomics.



## INTRODUCTION

In November 2024, the Port of Chancay in Peru began operations. Managed by Chinese capital—and, by extension, the Chinese government—the project has immense economic potential for Peru. Proponents envision Chancay as a continental trade hub, destined to become an industrial, logistical, and technological complex, as well as a tax-free zone. Some projections even suggest that trade historically routed through the Panama Canal will be redirected through Chancay.

However, these optimistic projections remain mere possibilities. In a global landscape where political, economic, and military powers engage in a fierce struggle for natural resources, nothing is guaranteed. These conflicts manifest in imperialist policies channeled through geoeconomics and geopolitics.

While the projections are promising, the port's physical construction poses a clear environmental threat. Research indicates that construction has directly affected the seabed, coastal zones, and biodiversity. Activities such as land blasting to reshape the bay's geography and extensive seabed dredging to accommodate port infrastructure have caused significant disruption (APEÑO ARIAS and CHIRINOS PEÑA, 2024, pp. 17-21, 23). Additionally, new road developments will not only damage the environment but also require urgent urban planning to manage the massive influx of heavy-duty cargo trucks (GALARZA, 2024, p. 7).

This article analyzes Peru's economic outlook, its role in the global economy, and China's motivations in Latin America. I argue that while the port may boost GDP and create jobs, it won't significantly improve most Peruvians' income. Instead, it will reinforce the extractivist model and increase dependence on major global powers.

The study is organized into five sections. Following this introduction, section 2.1 characterizes the Peruvian economy; section 2.2 examines Peru's role in the international division of labor and the current economic model; section 2.3 explores the concepts of geoeconomics and imperialism; section 2.4 analyzes economic relations between Latin America and China, with a focus on Peru; section 2.5 focuses on the Port of Chancay; and section 3 provides the concluding remarks.

## DEVELOPMENT OF THE ARTICLE

### A Characterization of the Peruvian Economy

Peru is a dependent capitalist economy. This signifies its subordination to the political and economic interests of advanced capitalist nations, which

are determining factors in the development of underdeveloped countries like Peru (Bambirra, 1985, p. 9).

Peru's role in the globalized capitalist world as a supplier of natural resources is not merely a consequence of abundant raw materials. Rather, it is the historical result of a truncated capitalist development, stunted by colonial exploitation and oppression. This dependency has fixed the country's current role in global capitalism. The prevailing economic model—centered on natural resource exports and Foreign Direct Investment (FDI) in the extractive sector (primarily mining)—serves as a political expression of economic dependency.

The role of extractivist and peripheral countries in the world economy discourages local political leaders and elites from pursuing national technological development. Extractive rents preserve their privileges, making industrialization unnecessary for the economic progress of the elite and business leadership. Consequently, productivity in countries dependent on natural resource exports remains lower than in advanced capitalist nations.

Low productivity varies across the country and sectors. High-productivity sectors such as mining, oil, finance, and communications attract most FDI and exhibit above-average productivity. However, overall national capital productivity is lower than in advanced countries, forcing firms to intensify exploitation to maintain profits, leading to super-exploitation.

Peru's dependence on the Global North hampers domestic growth, driven mainly by international demand for minerals and FDI since 2004. Structural barriers and global cycles limit the influence of internal economic forces. The current economic model requires a limited labor force. Peru needs about 33% of its EAP in key sectors, including mining, public administration, education, transport, communications, finance, and essential services. Meanwhile, 70% work in sectors such as agriculture, fishing, and trade, which are not directly essential for the model.

This leads to the proposition that the Peruvian economy can be bifurcated into an Advanced Economy (AE) and a Subsistence Capitalist Economy (SCE). The AE (the primary interest of transnational capital) consists of major private corporations, particularly transnationals, which concentrate political and economic power and high-income consumer markets. The SCE is defined as an "economy of micro-enterprises characterized by low productivity levels and remuneration rates at or near the minimum wage" (Lust, 2019, p. 782).

Workers unable to find employment in the formal sector must turn to the informal sector. Informality acts as a social safety net for those excluded from

the AE. Therefore, the Peruvian labor reserve army encompasses not only the unemployed and underemployed but the entirety of the informal economy.

Individuals employed in the SCE receive remuneration insufficient to reproduce their labor power—a phenomenon known as superexploitation (Marini, 1985). While precise data on labor reproduction costs is scarce, Peruvian poverty line data suggests that a vast number of SCE workers are super-exploited. For instance, while the National Institute of Statistics and Informatics (INEI) reported an average income of S/. In 2024, the poverty line for a family of four was S/. 1,765.90. 1816.

The contribution of SCE firms to total national production is minimal. In 2023, micro-enterprises accounted for only 2.1% of total export value, despite representing 32.4% of exporting firms. Large companies contributed 95.6% of the total export value (MINISTERIO DE LA PRODUCCIÓN, pp. 84-85).

The extreme economic weakness of the majority of Peruvian firms prevents them from making a significant contribution to the development of the internal market. Moreover, large national companies and transnational capital are not genuinely interested in developing the internal market because they target external markets (Cardoso, 1979, p. 300). Consequently, economic crises in Peru are not crises of overproduction in the traditional sense. Instead, Peru is affected by overproduction crises in the Global North, which reduce export markets and FDI flows.

These crises are not caused by low national effective demand or underconsumption. Most non-basic consumer goods are imported, and most Peruvian companies do not engage in mass production. Instead, economic crises result from the economic problems of the Global North and the reduced capacity of international firms to accumulate capital, primarily due to falling prices and export volumes of the country's minerals. When profitable extraction becomes difficult, transnational capital ceases production and decreases investment.

### **The International division of labor and the economic model**

Peru's role in the international division of labor is to supply natural resources for the economic development of advanced capitalist countries and China. The current economic model serves as the political expression of Peru's function within the globalized capitalist world. This model relies on the export of natural resources—primarily minerals—and direct investment in extractive sectors, specifically mining and hydrocarbons.

The Peruvian State favors this model because the mining sector is one of the largest contributors to the national treasury. Beyond paying corporate income taxes and the income taxes generated by formal employees, the sector pays royalties for the use of non-renewable resources. By October 2025, for the 2025 fiscal year, mining had accounted for approximately 13% of all tax revenues; in 2007, this figure reached 24.5%. In absolute terms, through September 2025, mining contributed 13.347 billion soles to the Peruvian treasury (CooperAcción, 2025, pp. 14, 15). This amount represents more than half of the Ministry of Education's 2025 budget (20.585 billion) and more than one-third of the Ministry of Health's budget (30.373 billion). Consequently, the Peruvian State maintains a vested interest in preserving the current model.

Altering the economic model is a highly complex endeavor, as it necessitates confronting both internal and external forces. For a structural shift to occur, social forces advocating for a model aligned with the interests of the majority and nature must displace the established confluence of economic powers, elites, and state administrators. Externally, the model is protected by extractivist transnational capital, the Global North, and China. The case of China is particularly significant; as Peru's primary trading partner, the interests of the Chinese State and its transnational capital are largely indistinguishable.

Peru's secondary role in the international division of labor is to provide low-cost labor for the production of intermediate goods, participating in global outsourcing and Global Value Chains (GVCs). The global organization of production enables transnational capital to pressure governments to reduce production costs. These globally organized value chains are, undeniably, effective tools for reducing costs and maximizing profits for global capital.

While transnational corporations fulfill Peru's primary function in the international division of labor, micro, small, and medium-sized enterprises (MSMEs) execute the secondary function. Table 1 illustrates the structure of Peruvian exports between 1980 and 2024.

**Table 1** – The Export Structure of Peru: 1980–2024 (in percentages)

	Fishery Products	Agricultural Products	Mining Products	Hydrocarburial Products	Non-traditional Products*	Other
1980	4.9	5.8	46.9	19.6	21.4	1.4
1985	4.2	7.6	41.9	21.1	24.1	1.1
1990	10.5	5.3	45.1	7.9	30.1	1.1

*Continued on the next page...*

	Fishery Products	Agricultural Products	Mining Products	Hydrocarburial Products	Non-traditional Products*	Other
1995	14.3	6.3	47.6	4.3	26.3	1.1
2000	13.7	3.6	46.3	5.5	29.4	1.5
2005	7.5	1.9	56.4	8.8	24.6	0.8
2010	5.3	2.7	61.2	8.6	21.5	0.7
2015	4.2	2.1	55.1	6.7	31.7	0.3
2020	3.6	1.7	61.0	3.7	29.7	0.0
2024	3.0	1.6	62.9	5.3	26.9	0.3

\* The non-traditional product group refers primarily to products with higher levels of added value compared to traditional products (fishery, agriculture, mining, and hydrocarbons). This category implies that some degree of industrial transformation occurred during the production process.

Source: <https://estadisticas.bcrp.gob.pe/estadisticas/series/anuales/exportaciones-por-grupo-de-productos-estructura-porcentual-a>. Accessed: 11/19/2025.

The Peruvian export structure comes as no surprise. Since the colonial era, Peru has operated as a major exporter of minerals.

Mineral production and exports have historically driven the country's economic development, even during periods that prioritized domestic industrialization models. Between 1954 and 1979, the contribution of mineral exports to total export value ranged from 31% to 55.4%. From 1980 to 2024, the share of mining products within total exports fluctuated between 41.9% and 62.9%.

The neoliberal development model implemented in the 1990s by the Alberto Fujimori regime transformed Peru's supposed comparative advantages—namely, abundant mineral resources and cheap labor—into a cornerstone of its economic development strategy. Consequently, the state has consistently advanced the investment agenda of transnational mining capital. Between 1990 and 1997, for instance, investment in mineral exploration and exploitation expanded by 2,000% (WORLD BANK, 2005, p. 20). By 2010, Peru attracted the highest volume of mineral exploration investment in Latin America, ranking third globally behind Canada and Australia (Panfichi and Coronel, 2011, p. 395).

Mining and hydrocarbon extraction cannot function without a robust physical infrastructure; they require highways, airports, land terminals, internet connectivity, and electricity networks. Because the nation's natural wealth often concentrates in high-altitude regions lacking sufficient electrical grids, the construction of hydroelectric facilities becomes urgent. Thus, to fulfill its assigned function within global capitalism and capture transnational

extractivist capital, a natural resource exporter and FDI recipient must secure adequate infrastructural conditions.

To remedy this infrastructure deficit and attract foreign capital, the Peruvian State enacted mechanisms allowing investors to deduct infrastructure expenditures from their corporate income taxes.<sup>1</sup> This context underscores Ernest Mandel's analysis from over fifty years ago, which argued that capital flows toward underdeveloped nations either specialize directly in production for the world market or establish the necessary infrastructure to facilitate this production (Mandel, 1975, p. 77).

Peru's integration into the global economy as a mineral exporter and a primary recipient of mining FDI renders the country highly vulnerable to both global economic expansions and contractions, particularly those affecting its major trading partners. A slowdown in global economic growth translates directly into reduced FDI flows and declining commodity prices. Conversely, rising commodity prices enhance investment profitability and stimulate FDI. This influx of mining capital ultimately deepens the dependency of peripheral countries within global capitalism.

While dependency on global capitalist cycles poses clear structural vulnerabilities—compounded by the fact that international markets determine *commodity* prices—the situation worsens when exports and FDI concentrate within a few specific nations. In the Peruvian case, its primary trading partner, China, is also one of its leading investors in mining, fishmeal, and infrastructure. Consequently, Peru is moving toward absolute dependency on China (see Section 2.4).

## Imperialism and Geoeconomics

Peru's specific position in the global economy subjects the country to ongoing pressures from transnational capital, the Global North, and China. External forces have historically dominated the Andean nation since the colonial era.

To grasp the structural pressures facing Peru and anticipate its trajectory amid the expanding power of China and its corporations, one must introduce the concepts of imperialism and geoeconomics. Both frameworks elucidate the specificities of Peru-China relations. While imperialism explicitly denotes a system of domination wherein a dominant nation appropriates the resources of a dominated one, geoeconomics explains how the dominant state

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<sup>1</sup> Source: [https://www.mef.gob.pe/es/?option=com\\_content&language=es-ES&Itemid=100270&lang=es-ES&view=article&id=3976](https://www.mef.gob.pe/es/?option=com_content&language=es-ES&Itemid=100270&lang=es-ES&view=article&id=3976). Accessed: 11/04/2025.

wields these economic resources to achieve strategic geopolitical ends. Thus, geoeconomics operates as both a method of analysis and a form of statecraft (Blackwill and Harris, 2016, p. 20).

According to Lenin (1961, p. 408), capitalist imperialism is “capitalism at that stage of development at which the dominance of monopolies and finance capital is established; in which the export of capital has acquired pronounced importance; in which the division of the world among the international trusts has begun, and the division of all territories of the globe among the biggest capitalist powers has been completed”.

The contemporary global political landscape indicates a shifting balance of power, primarily driven by control over natural resources and technological dominance.

Capital crosses nation-state borders for various reasons. In Peru’s case, global capital does not target the domestic market, which remains too limited to absorb global overproduction. While the country might, in theory, be an attractive site for surplus-value extraction due to relatively low labor costs, data on intermediate manufactured exports show a clear downward trend.

Instead, transnational capital, advanced capitalist countries, and China target Peru specifically for its mineral wealth. This interest constitutes the primary driver of their entry into Peruvian territory, allowing capital to sustain its core objective: accumulation.

Geoeconomics can be defined as “the use of economic instruments to promote and defend national interests, and to produce beneficial geopolitical results; and the effects of other nations’ economic actions on a country’s geopolitical goals” (Blackwill and Harris, 2016, p. 9). It systematically pursues geopolitical objectives while simultaneously satisfying economic aims (Blackwill and Harris, 2016, p. 27).

Geoeconomic instruments comprise a diverse array of mechanisms, including trade and investment policies, economic sanctions, cyberattacks, and foreign aid or humanitarian assistance leveraged to acquire strategic influence. These instruments can be leveraged not only by states but also by domestic companies acting under the influence of a dominant nation. When the dominant power possesses sufficient leverage over a recipient state, it can effectively compel the domestic firms of the dominated nation to align with its strategic directives (Blackwill and Harris, 2016, pp. 54, 57).

Geoeconomics combines geopolitical logic with economic tools. At the same time, geopolitics examines how a state exercises power over a territo-

ry using geographic factors—such as military might, natural resources, and population—military actions designed to cripple an opponent's financial infrastructure fall under geoeconomics rather than traditional geopolitics (Blackwill and Harris, 2016, p. 29). Although distinct, both concepts converge within the framework of imperialism; geoeconomics functions as a primary instrument of imperialist strategy.

Deploying geoeconomics does not require domestic capital to be a willing participant, nor does it necessitate a state's capacity to coerce or persuade domestic capital into this role; strategic trade policy alone can suffice. However, there is a significant divergence between nations such as the United States and China in their ability to mobilize national capital as economic armies.

China stands out as one of the most prolific practitioners of geoeconomics. Its export-led manufacturing model mandates securing the natural resources required to fuel its industrial machinery while ensuring seamless market access for its goods. Consequently, China seeks trade agreements that grant—and eventually control—access to these raw materials while securing a welcoming environment for Chinese products. Preferential access to the massive Chinese market serves as the primary incentive for its counterparts. Crucially, should a trading partner adopt policies detrimental to Beijing's interests, the Asian power commands immense leverage and retaliatory potential.

### China, Latin America, and Peru

Since it acceded to the World Trade Organization (WTO) in 2001, China's trade with the rest of the world has grown exponentially. China has not only flooded the global market with its manufactured goods but has also profoundly restructured the export dynamics of nations rich in natural resources. To sustain its export momentum and fuel its GDP growth, China must import vast quantities of industrial inputs. Figure 1 illustrates the value of China's merchandise exports from 1992 to 2022.

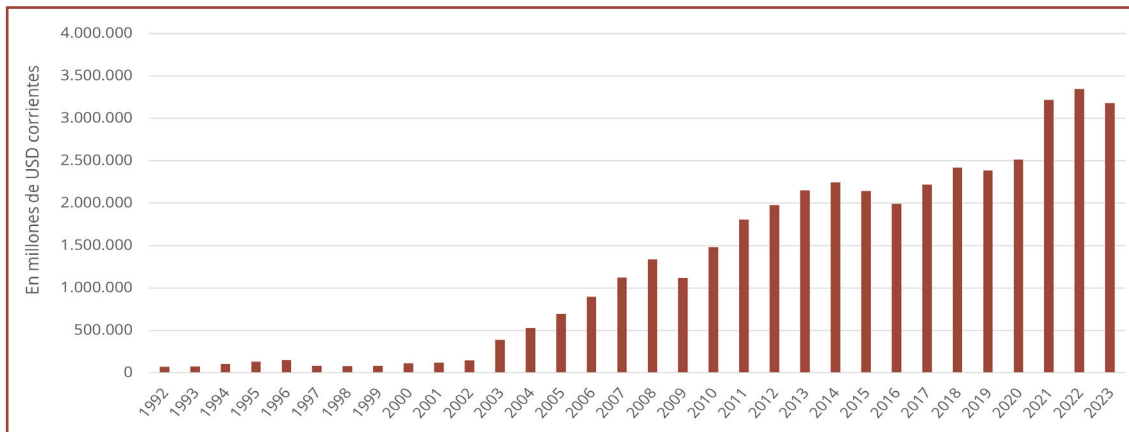
An examination of these export trajectories reveals that China's economic expansion stems largely from the meteoric rise of its exports since 2004. While in 1990 its GDP in USD PPP (constant 2021) stood at 1.12 trillion USD, it reached 3.74 trillion USD in 2000, 12.59 trillion USD in 2010, and climbed to 38.19 trillion USD by 2024.<sup>2</sup> This represents a phenomenal growth rate. Furthermore, China undeniably established itself as the “world's factory” by opening its doors to

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2 Source: <https://data.worldbank.org/indicator/NY.GDP.MKTP.PP.CD?locations=CN>. Accessed: 11/19/2025.

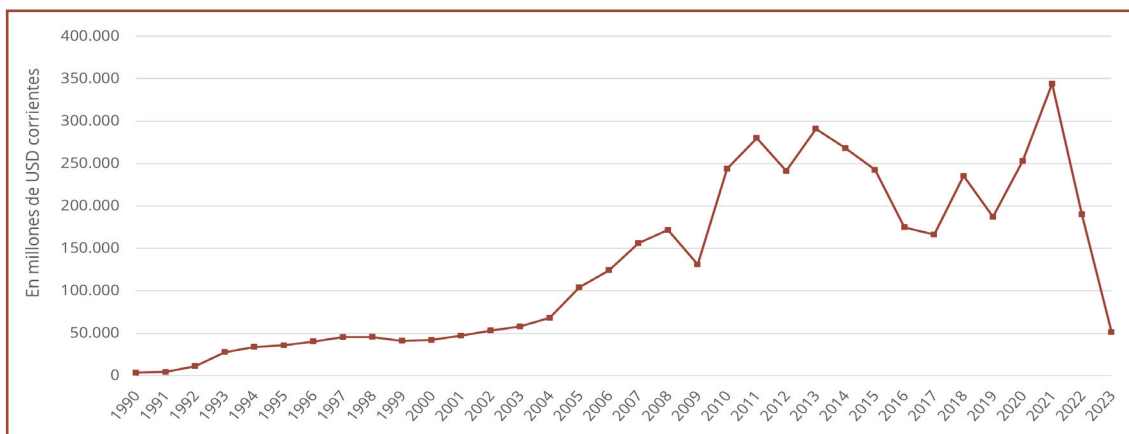
foreign investment from advanced capitalist nations. China’s learning capacity and its genius for technological imitation played an elemental role in this structural shift. Figure 2 displays net FDI inflows to China between 1990 and 2023, showing a path highly reminiscent of its export evolution.

**Figure 1** – China’s Merchandise Exports: 1992–2022 (in millions of current USD)



Source: <https://wits.worldbank.org/CountryProfile/en/Country/CHN/StartYear/1992/EndYear/2023/Indicator/BX-GSR-MRCH-CD#>. Acceso em: 19/11/2025.

**Figure 2** – Net Foreign Direct Investment Inflows to China: 1990–2023 (in millions of current USD)

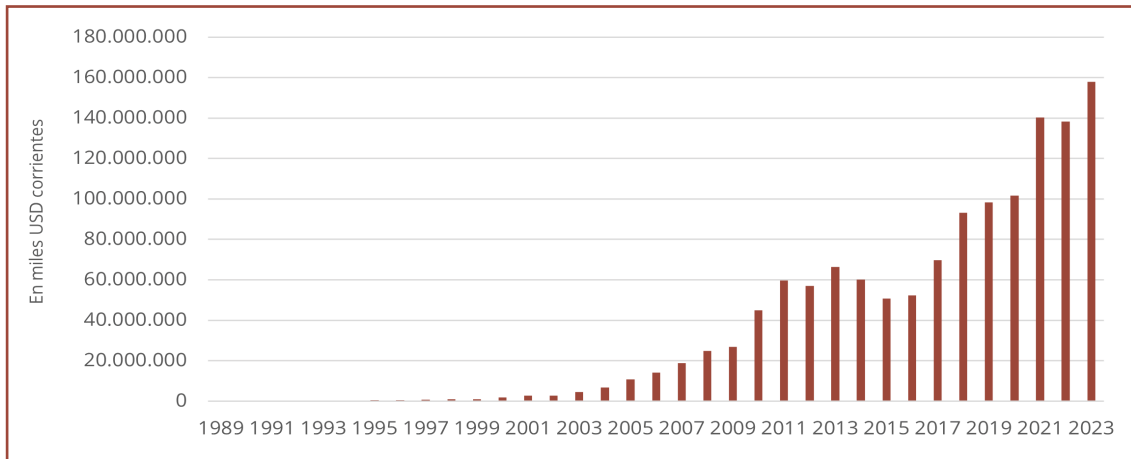


Source: <https://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD?locations=CN>. Acceso em: 19/11/2025.

The continuous demand for raw materials to sustain manufacturing output compelled China to actively secure these natural resources globally. This pursuit generated a growing number of trade agreements designed to ensure resource extraction under highly favorable conditions. To this end, China became an observer state at the Organization of American States (OAS) in 2004 and a non-borrowing member of the Inter-American Development Bank (IDB) in 2009. Figure 3 presents the value of raw material exports from Latin America and the Caribbean to China from 1989 to 2023. Currently, Chi-

na stands as South America's primary trading partner and ranks second in Latin America overall, behind only the United States.

**Figure 3** – Raw Material Exports from Latin America and the Caribbean to China in Current USD: 1989–2023



Source: <https://wits.worldbank.org/CountryProfile/en/Country/LCN/StartYear/1989/EndYear/2023/TradeFlow/Export/Indicator/XPRT-TRD-VL/Partner/CHN/Product/UNCTAD-SoP1#>. Acceso em: 19/11/2025.

This imperative to maintain its domestic productive pace drove China to launch mechanisms guaranteeing long-term access to these supplies. Between 2000 and 2024, nearly 68% of all Chinese FDI in Latin America and the Caribbean targeted metals, minerals, mining, and energy.<sup>3</sup> However, to contextualize Chinese FDI within the region, it is worth noting that between 2020 and 2024, 93.02% of total inward investments originated from non-Chinese sources.<sup>4</sup>

Securing access to these resources required not only investing directly in raw material production within supplier countries but also funding their infrastructure, including highways, railways, hydroelectric installations, and ports. This context underpins China's Belt and Road Initiative (BRI). The BRI seeks to economically and geographically link China with Africa and Europe via land and maritime routes (Moretti and Fernández, 2021, pp. 140-141), and has now integrated Latin American nations. At the time of writing, 22 countries in Latin America and the Caribbean participate in the initiative.

Data on Chinese infrastructure investments in Latin America and the Caribbean demonstrate a clear intent to streamline the flow of the continent's

<sup>3</sup> Source: [https://docs.redalc-china.org/monitor/images/pdfs/menuprincipal/DusselPeters\\_MonitorOFDI\\_2025\\_Eng.pdf](https://docs.redalc-china.org/monitor/images/pdfs/menuprincipal/DusselPeters_MonitorOFDI_2025_Eng.pdf). Accessed: 11/19/2025.

<sup>4</sup> Source: [https://docs.redalc-china.org/monitor/images/pdfs/menuprincipal/DusselPeters\\_MonitorOFDI\\_2025\\_Eng.pdf](https://docs.redalc-china.org/monitor/images/pdfs/menuprincipal/DusselPeters_MonitorOFDI_2025_Eng.pdf). Accessed: 12/19/2025.

natural resources toward the Asian powerhouse. While China executed 11 infrastructure projects valued at 1.603 billion USD between 2005 and 2009, this figure rose to 49 projects valued at 26.049 billion USD between 2010 and 2014. It exploded to 146 infrastructure projects totaling 62.137 billion USD between 2020 and 2024.<sup>5</sup>

The Belt and Road Initiative not only aims to guarantee the resources China requires but also systematically reduces the logistical costs of importing them. Furthermore, it insulates China from dependency on US-controlled infrastructure, such as the Panama Canal. Concurrently, this initiative enables Latin America to improve its geographical connectivity, thereby incentivizing these nations to secure loans from Chinese entities to upgrade infrastructure that ultimately benefits China (Moretti and Fernández, 2021, pp. 143).

The evolution of Sino-Latin American relations clearly illustrates the decline of the United States as the sole, dominant global superpower. Latin America, historically anchored to the Atlantic sphere of influence, is economically shifting away from this axis.

While this relationship with China is frequently framed as an equitable partnership—in a subtle critique of the historic domination exercised by the United States—this equity remains an illusion. Therefore, one must critically analyze the implications of the so-called “Beijing Consensus,” which is marketed as a peaceful alternative that respects sovereignty, territorial integrity, non-aggression, and mutual benefit (Álvarez, 2019, p. 2693).

What proponents term the Beijing Consensus is, in reality, a replication of the historical relations of domination between the periphery of global capitalism and advanced capitalist powers. The only novelty is the substitution of traditional advanced capitalist nations with China. Dependency, domination, and inequality continue to characterize these peripheral relations with Beijing: First, these nations primarily export raw materials without significant intra-industry trade, making it exceedingly difficult for supplier states to break free from extractivist economic models. This dynamic deepens primarization. Second, the relationship generates structural trade deficits for peripheral nations, and third, it concentrates export profiles into a narrow range of primary commodities (Bolinaga, 2022, pp. 47-48).

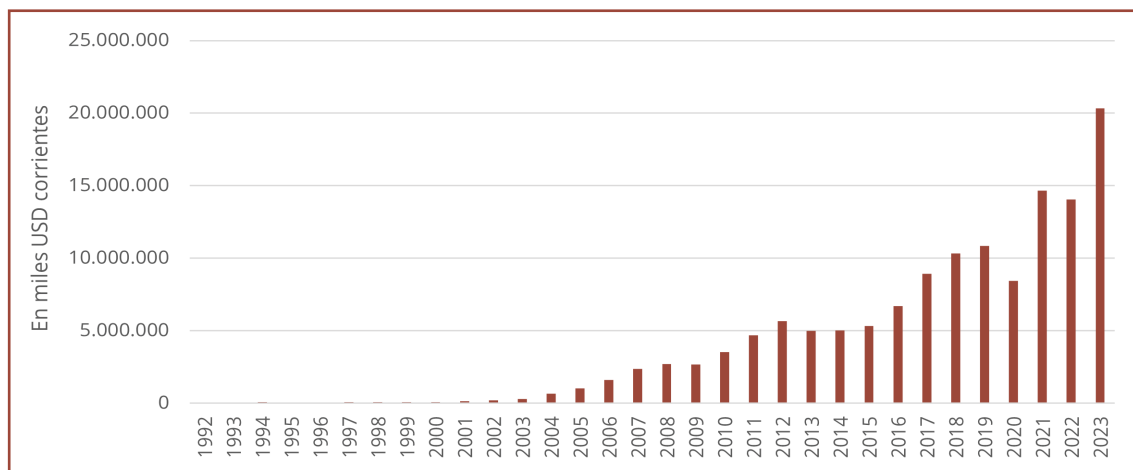
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5 Source: [https://docs.redalyc-china.org/monitor/images/pdfs/menuprincipal/Dussel\\_Peters\\_Monitor\\_Infraestructura\\_2025\\_eng.pdf](https://docs.redalyc-china.org/monitor/images/pdfs/menuprincipal/Dussel_Peters_Monitor_Infraestructura_2025_eng.pdf). Accessed: 11/19/2025.

Though economic, financial, and commercial ties may appear more equitable on the surface, the structural consequences for primary resource suppliers remain unchanged: a) their development remains conditioned by China's macroeconomic cycles; b) their internal economic architecture prevents autonomous development, trapping these economies at a subsistence level; and, and c) the primary function of resource-rich states becomes facilitating the expanded reproduction of Chinese capital (Lust, 2024, pp. 42-72).

What unfolds at the continental level is reproduced precisely within Peru. For years, China has operated as Peru's primary trading partner. Furthermore, it acts as a major investor in Peruvian infrastructure. It maintains deep integration in mining production and the telecommunications sector, while recently establishing a strategic presence in the financial sector. Figure 4 illustrates the evolution of Peru's raw material exports to China from 1989 to 2023.

**Figure 4** – Raw Material Exports from Peru to China in Current USD: 1989–2023



Source: <https://wits.worldbank.org/CountryProfile/en/Country/PER/StartYear/1992/EndYear/2023/TradeFlow/Export/Indicator/XPRT-TRD-VL/Partner/CHN/Product/UNCTAD-SoP1#>, Acceso em: 19/11/2025.

Regarding raw material exports, it is crucial to note that while primary commodities accounted for 53% of all Peruvian exports to China in 2004, they accounted for 88% by 2023.<sup>6</sup> The share of raw materials in the export basket to China began an upward trajectory immediately after China acceded to the WTO. Figure 4 illustrates Peru's raw material exports to China from 1989 to 2023.

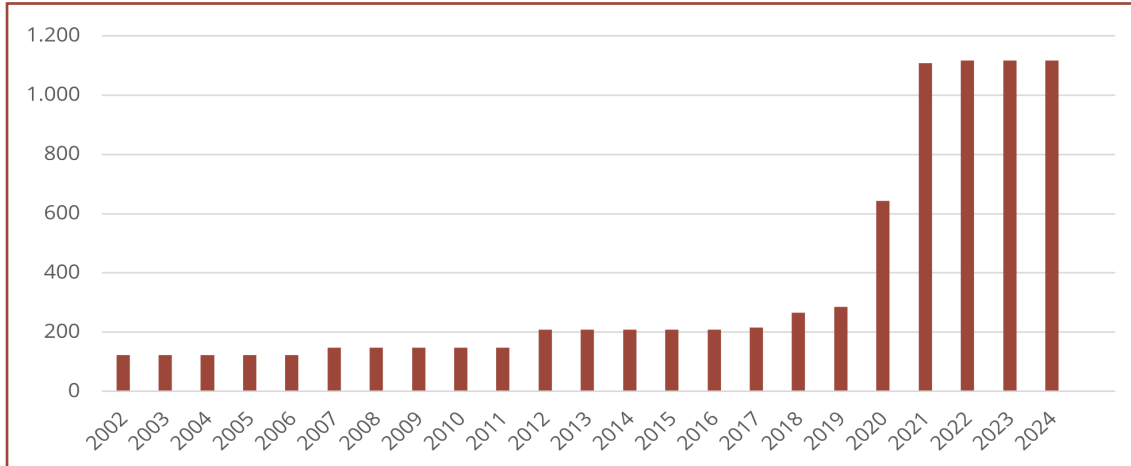
Between 2000 and 2024, Peru ranked second among Latin American and Caribbean countries in terms of Chinese FDI, behind only Brazil.<sup>7</sup> Fig-

<sup>6</sup> Source: <https://wits.worldbank.org/CountryProfile/en/Country/PER/StartYear/1992/EndYear/2023/TradeFlow/Export/Indicator/XPRT-TRD-VL/Partner/CHN/Product/Total>. Accessed: 12/20/2025.

<sup>7</sup> Source: <https://docs.redalc-china.org/monitor/images/pdfs/menuprincipal/DusselPeters>

Figure 5 illustrates the expansion of China's inward FDI stock in Peru from 2002 to 2024.

**Figura 5** – Chinese Foreign Direct Investment Stock in Peru: 2002–2024



Source: Pro Inversión (2025, pp. 82-83).

The expansion of the FDI stock after 2019 stems primarily from investments in the Port of Chancay, the mining and energy branches, and the financial sector (see below). In 2024, Chinese FDI stock in the financial and mining sectors stood at 950 million USD and 157.8 million USD, respectively (ProInversión, 2025, pp. 176-178). The structural impact of participating in the Belt and Road Initiative is evident. To contextualize this figure, however, one must underscore that China's share within Peru's total inward FDI stock hovers around 3.7%.

### The Port of Chancay

The Port of Chancay commenced operations in November 2024. The concept was initially developed in 2008 to alleviate severe congestion at the Port of Callao. While a private entrepreneur originally proposed the project, Volcan Minera—a Peruvian mining company controlled by Swiss capital (Apostolopoulou and Pizarro, 2024, p. 228)- joined the venture in 2011 (Apeño and Chirinos, 2024, p. 12). In 2019, one month after Peru signed its accession to the Belt and Road Initiative, the Chinese state-owned enterprise Cosco Shipping Ports Limited acquired a 60% stake in Terminales Portuarios Chancay, the joint corporate entity established by Volcan and the original entrepreneur (Apeño and Chirinos, 2024, pp. 12-13; Apostol-

[MonitorOFDI\\_2025\\_Eng.pdf](#). Accessed: 12/19/2025. See also: Urdinez y Meyers (2025, p. 14).

opoulou and Pizarro<sup>8</sup>, 2024, p. 229). Figure 6 illustrates Chancay's strategic positioning within global maritime trade routes.

**Figura 6** – Location of Chancay



Source: <https://elmercantil.com/opiniones/the-shipping-man-iv-de-chancay-no-de-chanquetes/>. Acceso em: 25/12/2025.

Ambitious projections surround the Port of Chancay. On the other hand, regional planners project the development of a tax-free industrial, logistical, and technological complex adjacent to the port infrastructure (Apostolopoulou and Pizarro, 2024, p. 233).

The Port of Chancay functions as a cornerstone for China's geopolitical and economic strategy because: 1) It reduces maritime transit times from South America to Asia by an estimated 11 days (Solis de Ovando, 2024, p. 3), thereby drastically lowering transport costs; 2) it insulates Beijing from dependency on the US-influenced Panama Canal.

The port's geoeconomic weight is further highlighted by the fact that Chancay represents China's largest single overseas infrastructure investment (Narrea, 2022, p. 5). According to Cardenal (2024, p. 4), these geopolitical ramifications could pose structural challenges for Peru: "The port will have the potential to be used by Chinese naval and commercial vessels, and Beijing could see Chancay as a valuable facility for the achievement of its global geopolitical ambitions." Nevertheless, Chinese enterprises have long participated in various Latin American port modernization projects (FURLONG & ZACAULA, NETZAHUALCOYOTZI LUNA & HERNÁNDEZ HERRERA,

<sup>8</sup> Source: <https://jamestown.org/from-chancay-to-shanghai-perus-strategic-role-in-prc-maritime-strategy/>. Accessed: 12/23/2025.

2022, pp. 26-27), all integrated through the overarching framework of the Belt and Road Initiative.

Unsurprisingly, the Port of Chancay constitutes a nodal point within the Belt and Road Initiative. Consequently, China committed to developing a feasibility study for a transcontinental railway connecting Brazil to the port.<sup>9</sup> For Brazilian exporters, Chancay offers a highly lucrative alternative by bypassing the Panama Canal entirely<sup>10</sup>. Moreover, analysts anticipate that Chancay will become a premier industrial and logistical hub (Apostolopoulou and Pizarro, 2024, p. 230). However, uncertainty persists regarding whether shipping from Brazil via Chancay is genuinely more cost-effective than direct Atlantic routes once inland transit costs are factored in (Douado, 2024, p. 20). Notably, during the final months of 2025, the Power Construction Corporation of China secured approval to build a railway network linking the port to Peru's interior.<sup>11</sup>

The Port of Chancay cements Peru's escalating dependency on China. Beijing is not only Peru's primary trading partner, but Chinese corporations also control the electricity supply in the nation's capital. By granting the Chinese firm exclusive operating rights—a move that required the Peruvian government to amend domestic legislation (Ellis, 2024, pp. 8-10; Apeño and Chirinos, 2024, p. 25)—the Peruvian state has effectively transformed the country into an economic satellite of Beijing. In essence, what China has struggled to achieve with Taiwan, it has seamlessly accomplished in Peru.

This deepening dependency appears to cause little concern for the Peruvian government, which prioritizes the port's potential to transform the country into a continental business hub. Environmental degradation—as detailed in the introduction—cannot compete with the projected benefits for economic growth and national revenue. Economic returns have effectively displaced ecological concerns and, by extension, long-term human well-being.

Beyond these speculative economic windfalls, one must recall that the Peruvian State operates as a dependent capitalist state. Its primary interest is not the expanded reproduction of the national economy, but rather the cre-

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9 Source: <https://grain.org/es/article/7341-el-puerto-de-chancay-un-dramatico-impulso-para-el-extractivismo-en-america-del-sur>. Accessed: 12/24/2025.

10 Source <https://jamestown.org/from-chancay-to-shanghai-perus-strategic-role-in-prc-maritime-strategy/>. Accessed: 12/23/2025.

11 Source: <https://elcomercio.pe/lima/sucesos/dan-luz-verde-a-tren-que-unira-el-puerto-de-chancay-con-zona-central-del-peru-de-que-trata-y-que-impacto-tendra-noticia/?ref=ecr>. Accessed: 01/20/2026.

ation of structural conditions required for the reproduction of both domestic and foreign transnational capital (Lust, 2024, pp. 60-65). The Port of Chancay directly secures this reproduction for the Chinese capital.

## CONCLUSIONS

Dependent nations do not merely serve as appendages to the economic growth of advanced capitalist powers; they actively facilitate that growth. Because peripheral nations depend on core economies, their internal development remains fundamentally conditioned by the macroeconomic trajectories of dominant states.

The periphery's role in the international division of labor reflects the structural nature of this dependency. The systemic function of peripheral nations within global capitalism is the historical byproduct of colonial oppression and exploitation. Peru exemplifies this dependent capitalist paradigm.

Peru primarily exports natural resources, strictly fulfilling its assigned role in global production chains. Consequently, its economic development relies heavily on international commodity prices, foreign investment in extractive sectors, and the economic performance of advanced capitalist nations and China.

The prevailing economic model—anchored in raw material exports and investments in extractive and allied sectors such as finance and telecommunications—is exclusionary. Operating this model requires only about 33% of the occupied Economically Active Population (EAP).

Overhauling this economic model is unnecessary for the economic and social advancement of the local elite and the country's dominant capitalist groups, who share a vested interest in maintaining and deepening it. For this reason, Peruvian authorities encountered no structural or political opposition when granting Cosco exclusive operational rights to the Port of Chancay.

China's view of Peru as a primary economic and commercial partner benefits the domestic elite and dominant capitalist factions by reinforcing the extractivist model through investments in mining, energy, and maritime infrastructure. Therefore, the interests of the elite and dominant economic forces, channeled through the Peruvian State's policies, align seamlessly with China's imperative to secure natural resources for its industrial expansion. However, this alliance locks Peru firmly into the role of a pawn on the global geoeconomic chessboard.

Ultimately, the economic dynamics generated by the Port of Chancay will fail to reach much of the Peruvian population. Instead, the project entrench-

es the existing economic model. Tied directly to Peru's role in the international division of labor, this structural configuration ensures that economic growth remains concentrated within a narrow segment of society—specifically, those integrated into the Advanced Economy (AE). ●

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