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BlackRock-Hutchison deal delayed, Maersk purchases railway

On 28 March, Hong Kong-based CK Hutchison Holdings Limited announced it had postponed the signing of an agreement for the sale of its two strategic ports in the Panama Canal. This was in light of the Chinese government's decision to conduct an antitrust review of the sale.[1 2] The State Administration for Market Regulation (SAMR) announced it is examining the large transaction in which CK Hutchison plans to sell 45 ports across 23 countries to a consortium led by U.S. firm BlackRock for USD 23 billion, with the stated explanation "to ensure fair market competition and protect public interest".[3 4] This review also followed Chinese state media speculation about whether state approval was required for the deal.[5]

A source associated with CK Hutchison indicated to Reuters that the group would not proceed with the signing as scheduled, and emphasised that 2 April was not a definitive deadline but rather the earliest date for potential signing.[6] Once a definitive agreement is signed, it would be followed by exclusive negotiations and allow the consortium led by BlackRock to access necessary documents and information for due diligence within a specified time frame.[7]

Meanwhile, on 3 April, it was announced that APM Terminals, a division of the Danish shipping company A.P. Moller – Maersk, has acquired the Panama Canal Railway Company (PCRC), which operates a 76km freight railway running alongside the Panama Canal, and facilitates cargo transport between the Atlantic and Pacific Oceans.[8 9] The acquisition included a renewed 25-year concession for the operation of the railway and was described by APM Terminals' CEO Keith Svendsen as a strategic investment aligned with the company's services in intermodal container transport.[10 11]

Adarga Analysis:

The delay to the signing of the Hutchison-BlackRock ports deal, including its two strategic ports in Panama, reflects deeper geopolitical currents surrounding the control of critical overseas infrastructure, and highlights China's increasingly complex position in relation to its overseas port infrastructure assets. These events are the latest in a series over disputed control of the Panama Canal, and occur in the context of escalated tensions and competition between China and the United States since Trump's widely reported claims about Chinese control of the canal and subsequent pressure exerted on Panama, as covered in Issue 24 of Adarga Briefly in February.

It also demonstrates that in an era where economic security is increasingly integrated within states' understanding of national security, private economic actors are becoming key geostrategic actors, whether intentionally or not. Since the potential deal was announced, it has been widely reported that significant pressure has been placed on CK Hutchison from the Hong Kong and Macau Affairs Office, which has circulated critical articles about the deal's implications for national interests.[12] Meanwhile, in related statements, Chinese Foreign Ministry spokesperson Zhao Lijian consistently reiterated the Party line that the proposed deal is a reaction to pressure from the Trump administration, and that China "opposes economic coercion that harms the legitimate rights of other countries".[13] The response from China, involving a sustained and furious state-sanctioned media attack and instructions by Chinese state-owned enterprises to halt new deals with Hong Kong-based entities, as well as SAMR's antitrust view, leads us to conclude that it is likely Xi Jinping was not briefed on the impending sale ahead of the original announcement by CK Hutchison. While initial speculation was that Beijing must have known the sale was coming, the sustained and legal form of its protest suggests otherwise.[14]

Beijing now faces a strategic dilemma. On the one hand, approving the sale could be seen as aligning with its domestic policy objectives of deleveraging and allowing private sector giants like CK Hutchison to monetise mature assets. On the other hand, the specific assets involved, two terminals on either side of the Panama Canal, represent highly strategic footholds in a globally vital chokepoint. Ceding those assets, particularly to a consortium led by Blackrock, a U.S. firm, would represent a rare retreat from China's strategy of expanding influence over critical infrastructure along major global trade routes.

This calculus is further complicated in a situation where Beijing utilises SAMR to block the transaction on a legal basis. At present, BlackRock is not a major port player, diluting the case for anti-competition in this instance. Consequently, if SAMR does choose to block the sale, its action would almost certainly be interpreted as validating Trump's original claim that China controls the canal, thereby providing additional basis for further potential measures by the U.S. administration towards China and Panama.[15] For China, this therefore presents a complex calculus: blocking the sale may preserve current influence but risk economic costs and political friction. Allowing the sale may cede geostrategic ground but reflect a maturing acceptance of a changed environment faced by its overseas critical infrastructure investments.

However, while Beijing weighs its options, the regional infrastructure landscape is already shifting in ways that could complicate the intended strategic outcomes for both China and the United States. Just days after the Hutchison deal was postponed, APM Terminals announced its acquisition of the Panama Canal Railway Company (PCRC) from Canadian investor Brookfield Infrastructure Partners. Although secondary in terms of asset value when compared to the canal terminals, this acquisition carries outsized strategic significance. The railway runs parallel to the canal and effectively provides an alternative land bridge between the Atlantic and Pacific Oceans for container traffic. In the context of growing geopolitical contestation around control of chokepoints, assets like the PCRC have the potential to offer rare flexibility, allowing cargo to bypass congested or politically sensitive maritime routes.

While U.S. policymakers within the Trump administration have sought to push Chinese firms out of strategic infrastructure near the Panama Canal, this move by Maersk illustrates that infrastructure competition is no longer just a China-U.S. story. Instead, European players are increasingly stepping into these spaces and playing a role in shaping critical logistics networks. While Maersk's interests are commercial, its positioning aligns, at least indirectly, with broader 'Western' concerns about resilient, diversified supply chains and reduced exposure to potential adversaries. For Panama, this deal reinforces an emerging reality: the strategic landscape is not solely shaped by American or Chinese capital. Instead, countries like Panama are increasingly likely to find themselves at the intersection of a more complex web of global players, able to court investment from a wider range of partners who bring both commercial credibility and geopolitical cover.

Crucially, Maersk's acquisition of PCRC could also recalibrate the strategic utility of Hutchison's port assets, regardless of whether the sale proceeds. If Maersk is able to upgrade and integrate the railway into its existing global logistics network, the railway has the potential to siphon cargo away from traditional canal-dependent flows. This would diminish the relative leverage provided by port infrastructure alone, particularly if users perceive Maersk's overland route as faster, cheaper, or more geopolitically insulated vis-à-vis the canal.

For the UK, and other European allies, this episode offers a timely reminder that effective strategic positioning in global infrastructure competition does not rest solely on confronting China directly or aligning unquestioningly with U.S. approaches. Instead, it highlights the value and ability of trusted private sector champions to secure influence in critical geographies. Consequently, it underscores the importance of cultivating globally competitive British firms which are capable of operating in strategic infrastructure sectors, not solely as financial investors, but as operational partners with long-term stakes in logistics, infrastructure, and connectivity.

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