

SE Business
HD Port part of Asian hub talk
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LP A CHINESE shipping company had expressed interest in creating a logistics hub using Darwin Port with Trade Minister Andrew Robb months before it was sold.

Mr Robb confirmed he was visiting a shipping company in China when they outlined a plan to link Darwin with Singapore and Shenzhen, on mainland China, as part of the Maritime Silk Road.

TD The Maritime Silk Road initiative was first proposed by Chinese President Xi Jinping during a speech to the Indonesian Parliament in October 2013.

"We were talking in the context of the Maritime Silk Road that was being discussed in China," Mr Robb said.

"At the time there was talk about the Darwin Port being for sale. "These guys were excited by the potential of a hub with Shenzhen, Singapore and Darwin. To them it was a logical channel for two way trade – food, gas." Darwin's geographical location makes it seven days closer in sailing time to Singapore. It is also seven days closer to mainland China than Sydney.

The Darwin Port was leased to China's Landbridge Group headed by Mr Ye Cheng last month.

The decision was seen as strategic by the company who paid \$506 million for a 99-year lease.

They have also pledged to spend \$35 million on infrastructure in the first five years and another \$200 million over the coming decades. A condition of the agreement will see the NT Government take in 15 per cent of any so-called "super profits" – revenue earned over annual projections.

The Government also sought to keep 20 per cent of the Port in Australian hands, for now, with the NT Government. But Landbridge must find an Australian company to take the 20 per cent share within five years.

Landbridge operates a 30 million tonne per annum port in North Haizhou Bay in Shandong province, between Beijing and Shanghai.

Landbridge is in the process of expanding its port capacity to in excess of 200 million tonnes per annum – more than 65 times the current volume at the Port of Darwin. Landbridge also has hotel and tourism, trade and manufacturing, real estate and petrochemical interests in mainland China, together with interests in Australia through its subsidiary WestSide Corporation, a Queensland-based oil and gas producer.

RE china : China | austr : Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

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