



On and Off the BRI Map: A Story of the Darwin Port, Australia

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The case of Darwin Port reveals the emerging infrastructural geopolitics of great powers competition. The effort of Darwin in getting on the map of the intercontinental Belt and Road Initiative (BRI) demonstrates how the BRI is catalyzing this competition, and how that competition is manifesting Chinese opportunism and heightened security concerns in specific locales.

At the same time, new linkages forged through the BRI have repositioned cities in the global core-periphery relationships. The resulting reconfiguration of state spatiality through multi-layer, multi-scalar arrangements denies the easy division of “domestic” and “international,” pushing cities to the frontiers of geopolitical negotiation and reimagination.

Amidst the hopes and critiques, an important issue regarding the impact of BRI on urban development in host cities, however, has largely been under-addressed. This is true for both the endpoint cities anchoring the six land corridors and the 21st Century Maritime Silk Road, as well as those in-between places whose centrality is constantly being reconfigured.

This neglect speaks to the generally overlooked role of BRI as potential social infrastructure that not only relates to national and international geopolitical landscapes, but also to components of urban fabric that bring people together and fosters citizenship and community. BRI’s more recent emphasis on [sustainable development goals](#), for example, has promised to support equity, inclusion, and quality development at places that need them the most.

The case of Darwin, at the northern point of Australia, showcases the potentials of BRI as social infrastructure, but also the various challenges in materializing its benefits. Strictly speaking, Darwin represents those cities “off” the BRI map in terms of the industrialization and urbanization that may accompany the trade, aid, and investment from China, and the framing of opportunities offered by involvement in the BRI prior to COVID-19.

Yet as one of the few Australian projects materialized via Chinese investment with an explicit desire of integrating onto the BRI map, the case of Darwin is also representative of local initiatives and regional mobilizing powers that could, from time to time, overcome (inter)national geopolitical hurdles and popular nationalism.

The Deal: Social Infrastructure in the Making?

The Port of Darwin is strategically positioned as Australia’s nearest port to Asia and the nation’s “[northern gateway](#)” for Australasian trade. It is a key support hub for the expanding offshore oil and gas fields in the Arafura Sea, Timor Sea, and the waters off the coast of Western Australia. It is also the only port between Townsville and Fremantle with full access to multi-modal transport services.

Well planned road transport corridors and proximity to the Adelaide-Darwin rail terminal provides ease of access to Darwin Port for users to or from all parts of Australia. The port ships more than 4,577,000 tons of cargo annually and is capable of handling over half the nation’s livestock exports.

The Northern Territory (NT) state government considered the Port of Darwin a vital part of the region’s future economic growth, but its infrastructure was in a state of disrepair and the need for investment was urgent given the projected [double-increase of trade tonnages](#). The federal Treasury, however, was very reluctant to go borrowing money to put into a port, and it was believed that the port would be better utilized in private hands.

As a result, a partner was sought to develop the port in 2015. Thirty-three private investors expressed interest, and after months of assessment, Landbridge was declared the successful bidder with an offer of AU\$506 million for a 99-year lease.

This multinational company headquartered in China’s Shandong province, has business interests in ports and logistics, oil and gas, real estate and tourism, and manufacturing and trade. It first ventured abroad in 2014 with the acquisition of Australian listed company Westside Corporation Pty Ltd, followed by the lease of Darwin Port.

This deal was intended to be a [win-win collaboration](#). Landbridge wants to materialize the future demand for port facilities at Darwin as a result of the growing oil and gas industries in Australia, as well as the port's strategic proximity to the growing Asian market and the ever-expanding Maritime Silk Road.

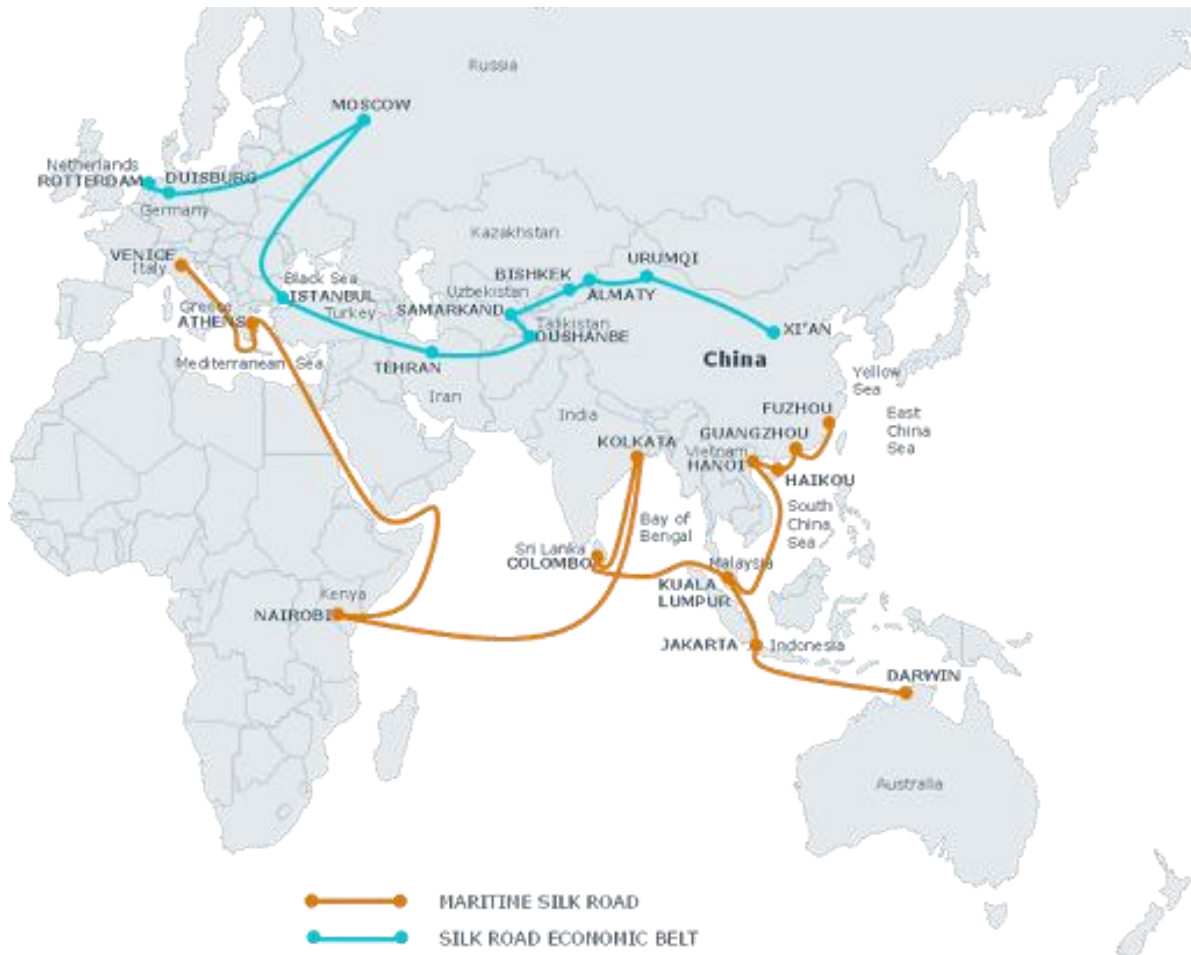


Figure 3: Perceived integration of Darwin in the BRT

Source [[Link](#)]

Similarly, the NT hoped that Landbridge's involvement in Darwin would open up [new trade routes](#) for the NT's cattle, mining, and gas industries in Asia. For the city of Darwin, this partnership contributes to its economic prosperity through access to markets, international students, and tourist opportunities. The city has already made formal connections with four Chinese cities, including Qingdao in Shandong province.

Investment Opportunities Meet Geopolitical Challenges

Before COVID-19, several investments were made or planned. There included an AU\$25 million upgrade of the port's pilotage and harbor control systems; expansions of the Container Park and the Industrial and Logistics Park; an AU\$2 million expansion of the cruise ship terminal; and an AU\$200 million six-star Westin hotel at the Darwin Waterfront.

All these projects were expected to boost local employment and economic growth, reinforcing Darwin as the gateway to Australia. Landbridge also provides support to local businesses, sponsors community events, and helps young Indigenous people reach their potential with its ongoing [support to the Clontarf and Stars Foundations](#), demonstrating the social infrastructure potential of its investment.

More interesting is how the opportunities flowing from China to Darwin and the NT— even absent full incorporation into any sea route of the BRI—have been framed. Publicity material has seen Darwin and the NT variously presented as part of relationships to China and the BRI, although Darwin is not shown on the BRI map.

However, from the perspective of the NT, “If you are on the map then you are interesting to China.” Their most aspirational local commentators see the possibility through BRI for Australia—and presumably Darwin and the NT—to get closer access to the rest of the Asian and European markets connected by major routes on the BRI.

Notably, these various framings of the opportunities had taken place in a wider national geopolitical context. Some sources connected the policy stances of Darwin and NT governments to high-level differences of opinion with the Commonwealth Government over the basis of Australian international relations: Darwin and the NT governments favoring the longer-term, lower return investments of the BRI strategy because of its better fit for Darwin when compared to the short-termism of Western investment. More pragmatically, the stance of the NT and the reaction to it by the Commonwealth Government is also part of a wider geopolitical picture in which there was considerable fragmentation in the approach to China.

The Darwin and NT governments' ambitions and those of the private sector in Darwin have been more Asia-focused and open to Chinese trade and investment and those associated specifically with the BRI. This in turn is a result of a long heritage of Chinese presence in the territory, its geographical distance from Canberra, and its proximity to Indonesia, Singapore and sea routes north to China, and dissatisfaction with a perceived neglect of the NT and the Port of Darwin by the federal government.

Popular Nationalism Against the Map

In June 2022, the newly elected Albanese government opened the door for [another review of the Port lease](#), which resurfaced the long-lasting controversy as the 99-year deal had not been notified to, or cleared by, the commonwealth government. Along with agreements signed between the NT and other state (Western Australia and Victoria) governments in Australia and China, it sparked a domestic political row about the need for the commonwealth to sanction any Chinese investments in key infrastructure and industry sectors.

The issue here was compounded by a number of other considerations. First, the proximity of the commercial Port of Darwin to a US naval base, which prompted objections and threats of withdrawal of the US Navy.

Second, the assumed close relation between Landbridge and the Chinese Communist Party was viewed as problematic. And third, the 99-year long lease revenue gained in the sale of the port has already been spent—raising questions regarding whether the deal was a good one, especially when the political leadership of the NT government who agreed the lease was voted out shortly afterwards amid recriminations.

Actually, the Morrison government—partly under the pressure from the US—had commissioned two reviews of the deal in 2015 and 2021 and both found no security implications. It nonetheless offered the federal government an opportunity to change foreign investment laws, giving Canberra greater powers to scrutinize and block deals on national security grounds.

So from day one, the lease and development of the Port of Darwin mirrors the shifting of national and international relations. In 2015 when the deal was signed, China and Australia entered into a free trade agreement, cementing a strong historical trade relationship. Yet the relationship began to show signs of strain since then, strains that have grown over time.

Consequently, information gathered on location in Darwin suggests that further industrialization and urbanization accompanying the leasing of the port has been minimal. The port itself has, to date, not expanded and there were no plans to do so on the back of trade with China.

While direct flights between Darwin and Shenzhen had commenced prior to COVID-19, airport authorities also did not believe that Darwin airport was likely to expand as a result of China-linked passenger or freight growth. Thus, only a handful of diverse investments were identified as a result of, or related to, the lease of the port.

In policy documents at least, the expressed desires to engage with China in the case of the City of Darwin and the NT governments have been slightly under-toned as well. The BRI was not a focus in the framing of the [Darwin 2030 Strategy](#), although the port itself was designated as a strategic infrastructure, while the city's partnerships with other cities internationally are ostensibly cultural.

However, for both governments and the private sector locally, a broad desire to engage with Asia—including China—is born significantly out of the need for new sources of investment and industrial diversification. The port is primarily oriented to the bulk export of primary produce, including live cattle, and has an extremely limited capacity for handling the containers associated with trade in a wider range of manufactured goods.

Conclusion

Local needs and desires, however, are undermined by popular nationalism, especially the claim of security concerns. A June 2022 article in [The Australian](#) titled “Labor must cancel port lease as part of China strategy,” underscores this point. As the [Defence Connect](#) wrote, “the Commonwealth government must take a shot at redemption and scrap Chinese firm Landbridge’s leasing rights over the Port of Darwin” on the basis of China’s seemingly “aggressive” ambitions to dominate the Indo-Pacific and “supplant” the US as the region’s hegemon, while also weakening American allies. These popular media sources have successfully stirred fears among the public and further corroded the imagine of China and Chinese investment.

Nonetheless, the NT government has been able to capitalize on these fears by accelerating federal investment in the Middle Arm sustainable development precinct in Darwin Harbour. This development is backed by an AU\$2 billion funding in the [2022-23 federal budget](#). The bulk of that money (AU\$1.5 billion) will be spent on new port infrastructure to counter the Landbridge holding. Another AU\$200 million will go to further develop the precinct, and the remaining AU\$300 million will support production of low emission liquefied natural gas and clean hydrogen and associated capture and storage infrastructure in Darwin.

Aside from the question of whether a small city like Darwin needs a second port or not, this move might underscore the cost of keeping Darwin—and Australia in general—off the BRI map.

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