China denounces CK Hutchison's port deal as "kneeling down" to the US

Shih-Yu Chou
25 March 2025

Following the announcement on March 4 by a BlackRock-led consortium that it had agreed to purchase port assets, including Balboa and Cristobal, located at each end of the Panama Canal, from CK Hutchison Holdings for US$22.8 billion, US President Donald Trump declared that the US would "reclaim the Panama Canal."

The deal is the American asset manager's largest private infrastructure acquisition to date. According to *Infrastructure Investor*, half of the world's top ten infrastructure funds are American-run, with BlackRock top of the list.

CK Hutchison reported that the deal would generate US$19 billion in cash. The Hong Kong-based and Cayman Islands-registered conglomerate agreed to sell BlackRock its 90 percent stake in Panama Ports Company, a subsidiary of Hutchison Port Group that owns and operates the ports of Balboa and Cristobal, as well as its 80 percent effective and controlling interest in 43 ports in 23 countries around the world.

This decision to sell BlackRock port assets has caused a furor in China. According to the *Wall Street Journal*, the agreement between CK Hutchinson and BlackRock was made possible by the Trump administration's pressure. In the lead up to finalizing the deal, BlackRock CEO Larry Fink had phone calls with Trump, US Secretary of State Marco Rubio, Treasury Secretary Scott Bessent and national security adviser Michael Waltz, "ultimately garnering the administration's blessing".

The *Wall Street Journal* reported, following the announcement, that Fink brushed aside the implications of Trump's global tariff war for the world economy, stating "the world can grow at 2 or 3%… even with tariffs and other things". Given this, "ports are going to be quite active", and "the world economies... are going to be fine".

China rails against US hegemony

China slammed the Hong Kong-based firm for portraying the agreement as "purely commercial in nature" and condemned the pact as "a tool to enforce US hegemony".

A March 13 article in Hong Kong's *Ta Kung Pao*, "Don't be naïve and senile", explained that the Panama Canal was "a critical choke point" in world maritime trade, with some 6 percent of global trade passing through the international waterway. China accounted for 21 percent of the canal's freight flow, making it a vital economic link between the world's second-largest economy and Latin America.

The reference to "senility" was directed at Sir Ka-shing Li (net worth US$37.7 billion) without naming him. The 96-year-old multi-billionaire retired as chairman of CK Hutchison Holdings in 2018 and has since served as a senior advisor for the conglomerate.

Ta Kung Pao added that should the United States "Americanize and politicize" the Panama Canal by imposing exorbitant fees on Chinese container ships, Chinese enterprises would face increased freight costs. This would put China's trade with the region at the mercy of the US.

This pact, which served as a "blueprint" for the US to acquire more ports around the world, would allow the US to "erode China's overseas economic interests" and "restrict China's maritime presence" through "the exercise of extraterritorial jurisdiction", "making it impossible for Chinese ships to dock."

The article asserted that "Chinese netizens" saw this deal as "kneeling down" to the US, "being spineless," "abandoning ideals for the sake of profits," "neglecting national interests and principles," and "betraying the entire Chinese people."

Referencing the "national interests of the Chinese people", the article asked CK Hutchison Holdings to take its pick with the question, "whose side are you on?"

The newspaper serves as a megaphone for the Chinese Communist Party (CCP). Its piece has been re-posted on the website of the State Council's Hong Kong and Macao Affairs Office (HMO).

On March 15, *Ta Kung Pao* published another piece titled, "all successful Chinese entrepreneurs are staunch patriots", to whip up nationalist sentiment. It proclaimed that, similar to "great generals," all entrepreneurs strived to "preserve national interests and principles". They "align their corporate compasses with the stars of the fatherland" while "sharing a common destiny with the Chinese people".

Chinese media, taking cues from the state, instantly labelled Ka-shing Li as "a traitor to the fatherland" and "a thief within".

The success of a thief within

The geostrategic aims of US imperialism are correctly identified, but it is necessary to identify who propped up Li in the first place. According to a 2015 article, "Don't let Ka-shing Li run away" published by the Liaowang Institute, a thinktank affiliated with the Xinhua News Agency, Li began investing in real estate in 1958. His ties to the CCP leadership stretched back to 1978, and his rise in the property sector and infrastructure investment coincided with the restoration of capitalism under China's top leader Deng Xiaoping. [1]

Real estate and ports were among China's least marketized sectors. Wealth creation in these industries was "not solely derived from a market economy." China's leadership utilized its state control over land and infrastructure as a mechanism for patronage. The article emphasized that it was inconceivable to conduct businesses and maintain the prerogative of the rich without the overwhelming support from the Chinese ruling class.

Li was granted virtually "unrestricted access" to capitalist expansion and then gained immense wealth, mainly in the real estate sector in Hong

Kong and China, as well as various infrastructure projects across the mainland.

Li was no aberration. According to the article, Hong Kong's real estate moguls (such as Lee Shau-kee and Cheng Yu-tung) could not have been promoted to "the wealthiest dynastic families" and jockeyed for economic domination over Hong Kong without Beijing's support.

It would be wrong to assume that such an essay was directed against the CCP. It accused Li of ingratitude for what the Chinese state had done for him while denouncing him for selling assets in China and then investing in Europe. The exposure of the class nature of the Chinese state was an unintended consequence.

Notably, all the property tycoons featured in the article have earned the Grand Bauhinia Medal, the ultimate accolade granted in the city (after its handover to China), as a recognition of their "lifelong and highly significant contribution to the well-being of Hong Kong".

A 2022 study conducted by economists Thomas Piketty and Li Yang gives us a glimpse into wealth inequality in Hong Kong about which the Chinese ruling elite boasted. It found that Hong Kong's capital share of national income, including profits, rents and interest, rose sharply from 32 percent to 53 percent between 2001 and 2012, four years after the 2008 financial crisis.

"Today, billionaire wealth and top 0.001 percent wealth are far higher in Hong Kong than in other economies." In 2018, wealth shares of the top 0.001 percent in Hong Kong "exceeded those in Russia, were more than twice those in the United States and China."

The Wealth Inequality Database indicated that, in 2023, the top 10 percent amassed 61.2 percent of the city's wealth, while the bottom half possessed only 4.4 percent.

The plight of the working poor in Hong Kong

This extreme wealth inequality is evident in Hong Kong as one of the least affordable cities in the world. A *New York Times* article published in 2019 revealed that rents in Hong Kong were far higher than those of New York and London.

A standard New York parking space was 153 square feet. In contrast, a Hong Kong subdivided apartment was 48 square feet, roughly one-third of the parking space. The working poor living in those cages and coffins were unable to stretch their legs and had only enough room to sit up. They typically had renters either living above or below them.

According to a 2022 study by the Society for Community Organization, a HK-based NGO, the city's median rental rate was US$6.43 per square foot.

An investigative report in the *South China Morning Post* showed, as of June 2022, Hong Kong had some 110,000 subdivided apartments, ranging from 20 square feet to 200 square feet. It was common to share a toilet with seven to ten people or as many as 16 to twenty individuals.

These subdivided apartments, which had damaged plumbing and ceilings, usually lacked windows, natural light, emergency escape routes, and proper ventilation. They were plagued with rats, cockroaches, mould, and other microorganisms.

With the normalization of the "forever COVID" policy, tenants were (and are) constantly exposed to respiratory illnesses, in addition to the fire hazard.

As landlords could arbitrarily increase rents and utilities bills, tenants tended to live "in a constant state of insecurity" and "feared being kicked out at any time".

The *Post* wrote that parents felt guilty for not being able to provide their children with a better living environment, seeing living in a subdivided unit as a personal "failure" and viewing themselves as "passers-by with no roots".

The plight of the toiling masses in Hong Kong brings to mind Marx's prescient insight into capitalist production relations: "Accumulation of wealth at one pole is... at the same time accumulation of misery, agony of toil slavery, ignorance, brutality, mental degradation, at the opposite pole."

Hong Kong authorities have "vowed" to eliminate cage and coffin housing by 2049, a target set by the Stalinist regime in 2021.

The capitalist versus the working class in China

It remains to be seen how the agreement between CK Hutchison Holdings and BlackRock will play out. Hong Kong had no commercial regulatory means at its disposal to reverse the deal because firms based in the city were not legally required to seek permission from China's Ministry of Commerce and the State Administration of Foreign Exchange before selling assets, the *New York Times* reported.

But on March 21, *Ta Kung Pao* published another piece declaring China "is a country under the rule of law". The formula of "one country, two systems has applied to Hong Kong" since 1997; it "is guided by the highest principle of maintaining national sovereignty, security, and development." The port deal, which "violated the formula" and "caused significant harm to China's national interests", must not proceed.

Corporate media in Hong Kong have indicated Chinese President Xi Jinping might invoke Hong Kong national security law to probe into the deal.

What is clear is that Li has been a representative of the financial oligarchy. The Chinese Stalinist regime collaborated with capitalists, allowing them to jockey for patronage and drain off enormous wealth generated by the working class to fuel capitalist expansion in infrastructure and real estate sectors.

Criticism of Li from the likes of *Ta Kung Pao* is not about his reactionary role as a capitalist oligarch in exploiting and immiserating the Chinese toiling masses. Rather, it is about his collaboration with the US which refuses to acknowledge the "legitimate national interests" of the Chinese bourgeoisie in expanding and accumulating under capitalism.

The CCP regime, which has been advancing Chinese nationalism under the slogan "the rejuvenation of the Chinese nation" since 2012, has no progressive answers either to the escalating danger of Washington's economic coercion and military provocations abroad or to the rising social tensions produced by a worsening economic slowdown at home.

Workers in China must draw the necessary conclusion. The imperialist powers have never accepted the state that emerged out of the third Chinese revolution. Despite the fact that the CCP made social peace with US imperialism in the 1970s, the US bourgeoisie has never come to terms with China's economic rise and its advocacy of "an equal multipolar world" under capitalism. As capital extends beyond the borders of the nation state, one major capitalist power's gain is always another one's loss.

Chinese workers must reach out to their class sisters and brothers in the United States, Latin America, Europe and beyond who face a similar assault on democratic rights, police state repression and social counter-revolution. Workers of the world share the same class interests and fight the same class enemies. The economic warfare waged by the Trump fascist regime has worked in tandem with the war drive against China, as well as the genocidal onslaughts led by Israel and the US in the Middle East.

A socialist fight against oligarchy, fascism and war must do away with national boundaries and be mobilized independently by the working class on an internationalist basis. Workers must remain irreconcilably hostile to opportunist politics and all factions of the ruling classes.

The revolutionary strength of the international working class lies in the unity of the workers of the oppressed and oppressor nations. As imperialist powers seek to redivide the world, more than ever, our watchword must be “Workers of the world, unite!”

[1] Deng had two meetings with Li. The first time was in 1986, following the 1984 Sino-British Joint Declaration on Hong Kong’s handover to China. The second occasion was in 1990, following the 1989 Tiananmen Square massacre.