When China enters the WTO and becomes more involved in the global economy, her major sea-ports will be pivotal places where the international shipping and terminal operators interact, conflict and cooperate with the local and the central governments. To demonstrate and understand these interactions, this article analyzes the case of the Yangtze River Delta, where the competition, cooperation and governance of Shanghai and Ningbo, the two largest ports on Chinese mainland, concern all stakeholders from the central and local governments of China to the container terminal operators and shipping lines overseas.

This paper first develops a conceptual framework for analyzing port development in a regional context. The article then introduces the case of the Shanghai International Shipping Center with a focus on the efforts of the Shanghai Government to establish a regional hub port, which involves also two nearby provinces. This case study reveals the course of the decision-making processes and the power networks currently governing the port development in the YRD. Two domains of port governance are discussed: the role of port authorities in port internal governance, and the crucial influences of local and central governments on the port external governance. It provides evidence that the power of shipping lines and international terminal operators are not as prevalent as in many ports in western countries. It is suggested that the lack of good regional port governance in the region is due to structural problems in administration.