



ISSN 23939729

CLAWS

No. **112**

2025

MANEKSHAW PAPER

China's Port Diplomacy in Pacific An Assessment

Abhishek Acharya

CENTRE FOR LAND WARFARE STUDIES

Field Marshal Sam Hormusji Framji Jamshedji Manekshaw, better known as Sam “Bahadur”, was the 8th Chief of the Army Staff (COAS). It was under his command that the Indian forces achieved a spectacular victory in the Indo-Pakistan War of 1971. Starting from 1932, when he joined the first batch at the Indian Military Academy (IMA), his distinguished military career spanned over four decades and five wars, including World War II. He was the first of only two Field Marshals in the Indian Army. Sam Manekshaw’s contributions to the Indian Army are legendary. He was a soldier’s soldier and a General’s General. He was outspoken and stood by his convictions. He was immensely popular within the Services and among civilians of all ages. Boyish charm, wit and humour were other notable qualities of independent India’s best known soldier. Apart from hardcore military affairs, the Field Marshal took immense interest in strategic studies and national security issues. Owing to this unique blend of qualities, a grateful nation honoured him with the Padma Bhushan and Padma Vibhushan in 1968 and 1972 respectively.



**Field Marshal SHFJ Manekshaw, MC
1914-2008**

CLAWS Occasional Papers are dedicated to the memory of Field Marshal Sam Manekshaw

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An Assessment

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Centre for Land Warfare Studies
New Delhi



Editorial Team : CLAWS

ISSN : 23939729



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CLAWS Army No.33098

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Published in Bharat by



Sabre & Quill Publishers, New Delhi, India

www.sabreandquill.com/sabreandquill@gmail.com

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China's Port Diplomacy in Pacific:

An Assessment

KEY FINDINGS

- Total 56 port projects have been identified in 26 countries in the Pacific Ocean, with major Chinese Investment. One port each in Indonesia, Brunei, North Korea, South Korea and Peru and two ports in Australia are having 50% or more ownership. One port each in Singapore, Vietnam and Malaysia are having 40% or more ownership.
- Apart from ownership, China is having majority in controlling rights over a large number of important ports in the Pacific. This gives considerable leverage to China in Port Diplomacy. The details are as under :-
 - ✓ 100 % stake in the 'operating contract' in four ports in Australia for average (avg) 67 years, three ports in Mexico for avg 33 years, one port in N Korea and USA for 50 and 20 years respectively and one port in South Korea and Peru for unlimited period.
 - ✓ 90 % stake in the operating contract in two ports of Panama for 50 yrs.
 - ✓ 80 % stake in the operating contract in two ports of Thailand and one port in South Korea for avg 28 yrs.

- ✓ 70 % stake in the operating contract of a port in Vietnam for 50 years.
- ✓ 46 % stake or more in the operating contract in two ports of Indonesia and one port of USA and Singapore for 40 years or unlimited/ undisclosed period.
- China's 'Logink', the state-owned digital logistics platform is widely used in ship logistic management in the world. This may give them visibility into shipping and supply chains infrastructure including military logistics been transported in the Pacific Ocean.
- In SE and East Asia, China has developed a port in every ASEAN country, Korean Peninsular and Timor-Leste. It has invested heavily in Malaysia and Indonesia as both countries form part of the Malacca straits. China's possible investment in Ranong port of Thailand as a future project in Andaman Sea needs to be closely monitored. The North Korean port gives China access to the Sea of Japan. Permanent presence of two PLAN ship in its port of Ream since Dec 2023 has given a fair degree of clarity of PLAN influence in Cambodia.
- The present statistics shows that China (although behind Australia) is leading over USA in its investment in the Pacific Island Countries (PIC) in spite of the countries being in the US backyard. USA in last two years has taken significant efforts in increasing its investment in PIC. China has been mainly investing in Fiji, Samoa, Solomon Islands Papua New Guinea, Vanuatu and Nauru, nearly all of which have multiple and deep ports. There are roughly 17 island nations in PIC. The criterion for selecting these six countries has been their ports having higher natural holding capacities over the remaining countries in terms of channel depth allowing bigger sized Military Ships. The other criterion is appreciated to be lying on the direct path

of US -Australia air flights like the Solomon Islands. Recently pact with the Cook Islands have given the Chinese dual port access beyond the third Island Chain. Overall, the PIC nations could allow China to effectively project its military power in the Pacific in the future.

- China is the largest trading partner to most of the countries of Latin America. China has invested in the major ports of Peru, Chile, Ecuador, Panama and El Salvador and Mexico. The port in Panama gives Chinese leverage to the Panama channel to directly access the Atlantic Ocean. Nearly 6 % of global trade and 57.5 % of the cargo transported in container ships from Asia to the East Coast of the US passes through the Panama Canal. Chinese considerable investment in Peru is likely to build it as the hub of Sea logistics in Pacific Ocean for Latin American countries depending on the development of road/rail infrastructure from Peru to other important countries like Brazil. The port development in Chile will increase China's access to its critical world mines of Lithium and Copper in Argentina, Bolivia and Chile.

Overall Chinese presence in terms of investment, construction, ownership and operation of Ports in underdeveloped countries can be leveraged by PLAN to extend its reach in the Pacific Ocean.

Background

China now dominates maritime trade in terms of volume, shipbuilding activity, and construction and ownership of ports around the world. China has now become the top trading partner for more than 120 countries. It has significantly invested in the Maritime Silk Road (MSR) to increase trade route options and bypass choke points, posing a significant challenge for US trade. The twenty-first-century MSR is responsible for the BRI maritime

routes that connect China to Europe and the Arctic Ocean via the South China Sea and the Indian Ocean. President Xi has repeatedly emphasized that economic powers must be maritime and shipping powers.

The Indo-Pacific is a major hub of global commerce and will continue to be the main target for China's maritime control. The 10 busiest container ports in the world are located along the shores of the Pacific and Indian Oceans. The present paper deals with "China's Port Diplomacy in Pacific Ocean".

Currently China has been involved in at least 129 port projects¹ outside its borders to capitalize on the infrastructure of low-income countries. At least 18 of these projects are under major Chinese ownership, of which eight are in the Pacific Ocean, the balance being in Global south countries. These include Indonesia, Singapore, Malaysia, Brunei, Vietnam, Australia and Peru.

It can be said that leaving Australia, all remaining countries are effectively under the influence of China. It is the top trading partner of South East Asian Countries and in South America².

Relevance of Port Development

Maritime transport is the backbone of international trade. Around 80 percent of the volume of international trade in goods are carried by sea; this figure is even greater for developing countries. Lower-income countries and small islands are 1.5 to 2 times more reliant on their ports for global trade than the global average. High-quality port infrastructure supports successful economic growth, especially in export-driven economies in developing regions. It attracts investment in production and distribution systems, supports the growth of manufacturing and logistics, and generates more employment.

Advantage of Port Development to China

Total 56 ports/port projects have been identified in the Pacific, with major Chinese Investment. These ports give following advantages to China in Pacific: -

- **Better Logistic Support.** Ports under investment or under construction allows presence of Chinese national *ab initio* at the locations enabling higher priority in ship passage, parking, refuelling, replenishment and carrying out necessary repair to Chinese civil or military ships.
- **Real Time Intelligence Gathering.** China has dominance in Port equipment particularly in sales of overhead cranes, crane machinery and tower cranes with worldwide majority in export shares. This may be exploited by China for spying and intelligence gathering as the respective IT communication systems can be bugged. Thus, giving access to critical data on logistic supply chains, trade data, and other sensitive information of target countries. China's 'Logink', the state-owned digital logistics platform is widely used in ship logistic management. This may give them visibility into shipping and supply chains infrastructure including military logistics been transported in the Pacific Ocean.
- **Ease of Access to PLAN Ships and Force Projection.** *Ab initio* Chinese presence, and support in terms of investment and construction in underdeveloped countries can be leveraged to increase the access to Chinese Military Ships to various ports increasing flexibility of their naval maritime operations and giving extended reach in the Pacific Oceans. For example, Chinese port investment in small Pacific Island countries is less to do with minerals imports but more as a staging point for further force projection in the Pacific Ocean.

China's Main Port Development Companies

China's state-owned enterprises (SOEs) dominate in financing, design, construction, and management of overseas port infrastructure. Between 2010 and 2019, Chinese companies invested roughly \$11 billion into overseas ports. China's two main SOEs involved in port infrastructure are **COSCO Shipping Ports**, the world's largest shipping company and port terminal operator, operating and managing 371 berths globally, and **China Merchants Ports**, the sixth-largest port terminal operator globally. Additionally, the **China Communications Construction Company Limited (CCCC)** is the biggest port design and construction enterprise in the world. It shapes more than 70 percent of the national standards for the water transportation industry and designed 7 of the top 10 ports. State support to Chinese shipping companies in their endeavours totalled an estimated \$132 billion between 2010 and 2018. This displays the priority China gives on developing its Port development capability throughout the world³.

Guidelines To Access Feasibility of The Port for Military Use

As a general guideline, ports with drafts between 12 and 15 meters would be able to accommodate many Chinese naval vessels, including destroyers (which have 6.5 meters of draft), frigates (6 meters), aircraft carriers (11 meters), and cruisers (6.6 meters). Oil tankers and carriers have an average draft of 16 meters; as such, it can be assumed that ports able to accommodate oil tankers could also physically handle naval vessels.⁴ China has invested in South Pacific Island countries having a channel depth of 12.2 meters or more as will be elucidated later.

For ease of understanding, Chinese port development in the Pacific has been covered in three parts. **Part-I** deals with all countries of SE-Asia, East Asia and Russia, **Part-II** with the Pacific

Island Countries (PIC) and Australia and **Part-III** deals with the Latin American countries and USA facing the Pacific Ocean. The research assesses the economic leverage enjoyed by China due to its debt diplomacy in Pacific. The feasibility of these ports to handle “larger draft”, military naval vessels based on guidelines given above has been carried out giving details of the Chinese SOE/ private company involved in construction. The subsequent paras give details of China’s Port infrastructure development in SE and East Asia, PIC and Latin America including Russia, Australia and the USA. **A graphical display of same is given at Appx A and details of Chinese current investment, ownership, operating rights and period including capacities of each port is mentioned at Appx B.**

Part I: Southeast Asia, East Asia and Russia

China has invested in Thailand, Singapore, Cambodia, Vietnam, Malaysia, Brunei, Philippines, North and South Korea. Most of these countries are fast developing economies with the ports in the major shipping routes with some having the highest Shipping connectivity index in the world as per 2024, 2nd Quarterly figures⁵. South Korea holds the highest in the world followed by Singapore with Malaysia, Vietnam and Thailand holding the 4th, 7th and 18th position respectively. Monitoring these with the access facilities given at para 4 gives China the means to keep a close eye on the military and important commercial moments of India and other countries. The details are given in subsequent paras: -

Thailand

Laem Chabang Port (LCP) is Thailand’s largest port accounting for approximately 80 percent of the country’s container throughput. Started in the early 1990s, it is located approximately 80 miles from Bangkok and close to the country’s major industrial and manufacturing hubs. Hutchison Holdings acquired operating rights to one terminal from ICTSI in 2001. In 2004, a 30-year

concession was signed to operate and develop six more terminals. China Merchants Ports (CM Port) gained access to two terminals in 2020. The first project included dredging, sea reclamation, mud earth removal and flood gate construction. The contract was signed in mid-2021 and PDC is 2025. Further for the development of the “Terminal F of the Phase III of LCP, Chinese have invested 930 million USD. In this, China’s CHEC Company has a **30% stake with the franchise of 35 years** and a contract to construct in four years by 2027. In 2024, for further expansion of the port, another Chinese SOE namely COSCO has invested 110 million USD to acquire 12.5 percent of Thai Laem Chabang Terminal (TLT) and 30 percent of Hutchison Laem Chabang Terminal (HLT) both in the LCP and controlled by Hutchison. Under the new govt, there is a renewed push to connect the Chumphon Port in the Gulf of Thailand with Ranong port in the Andaman Sea through a dedicated railway, highway, oil and gas pipeline at cost of 32 billion USD. The project is in conceptual stage and is being discussed with China’s CHEC and other concerned countries enterprises. With the available information, these expansions are expected to increase the annual container docking capacity of LCP from 12.4 million (Twenty-foot equivalent Unit (TEU) to 18. The enhanced capacity, (less the one connecting the Andaman sea) is expected to reduce the national logistic cost from 14% of GDP to 12 % of GDP resulting in saving of cost by 7 billion USD. Thus, it is a prime project of Thailand's national economic development strategy and is of great significance to Thailand. The port has a physical depth and potential for naval ship deployment. China has enough leverage to allow its naval ships to be docked in the port in peace time. Thailand has been very cautious about maintaining its sovereignty and also balancing its relations with China and US. Therefore, its utilisation during conflict situation cannot be said at the moment.

Singapore

Singapore has been the largest source of new investments in China for 11 consecutive years since 2013. In April 2022, Singapore surpassed Japan to become the largest source of foreign investment in China. By the end of 2023, Singapore's cumulative actual investment in China reached US\$141.23 billion. They share a bilateral trade of 108.39 billion USD. Chinese COSCO owns a 49% stake in COSCO-PSA Terminal (CPT) that was established in 2003. In 2016, CPT invested around USD 480 million to develop three additional mega berths, eventually bringing the total to five for an upgraded cost of 2.6 billion USD at **Pasir Panjang Project**. The construction was completed by 2018. The port has the physical potential to be employed for deep draft naval vessel, however its employment by China in conflict situation is unlikely.

Cambodia

Cambodia does not have a territorial dispute with China, unlike other SCS countries. Cambodia's government and its royal family has close and deep ties with the Chinese Communist Party. Since the BRI agreement in 2013, China has invested, loaned, and contracted projects worth 15 billion USD. Transport and energy sector engagements between 2013 and 2023 comprised 68 percent of total BRI engagement in Cambodia, at US\$ 8.1 billion and US\$ 3.75 billion respectively.⁶ As far as port infrastructure is concerned, Chinese have invested a total of 3.528 billion USD in three port projects at Ream Naval Base, Kampot Port Project and Penom Pheh New Terminal Project⁷. The Ream Naval base holds geostrategic and geopolitical significance for China. Ream and Kampot have the physical potential for naval use. The permanency of the PLAN ships since last one year gives clarity on the undisclosed utilisation of Cambodian Naval Base for China Military use for effective domination in SCS and employment in conflict situation. The details are as under: -

- **Ream Naval Base.** China has granted aid worth 2 billion USD. The construction started in Jun 2022 and was completed by 2023 by Prince Group China Harbour. The handing over of two warships to Cambodia by 2025, is seen as gift for allowing PLAN to access the Ream Naval Base and allowing China to carry out construction after denial for the same to US. Not surprisingly, the Ream Naval base has two PLAN ships docketed since Dec 2023 and further as per satellite imagery two more joined in Feb 2023⁸.
- **Kampot Project.** China has invested 1.5 billion USD and the project is under construction by Chinese Shanghai Construction group, CHEC and China road and Bridge Corporation. It started in 2022 and PDC is 2030. It has the physical potential of naval use. The port is designed to handle 300,000 twenty-foot equivalent units (TEUs) by 2025, and up to 600,000 TEUs by 2030.
- **Penom Pheh New Terminal Container Project.** China granted aid for the project worth 28 million USD. The project construction by China Shanghai Construction group began in 2011 and was completed by 2013.
- **Dara Sakor Port.** Development was originally managed by UDG until sanctioned by the US in 2020. Afterward not many details have been released other than the operating firm being Koh Kong Port Management Co Ltd where 2 of 6 directors are Chinese. There are reports the project has ties to Chinese military operations. Project was started in 2017 and completed in 2023⁹.

Vietnam

Vietnam's relations with China has been hot and cold over the years. The conflict in SCS would always restraint Vietnam to openly support China in military assistance, however the country

being a communist regime may have reasons to support in comparison to other capitalist countries in SCS conflict. China presently maintains a close political trust with Vietnam's leadership. Vietnam has two projects namely the Saigon International Terminal and the Germalink Port.

- **Saigon International Terminal.** Hutchison Holdings was awarded a 50-year concession at Saigon International Terminals Vietnam (SITV) in 2007. China Merchants Ports (CMPort) gained access to Vietnam International Container Terminals (VICT). China has invested 160 million USD and has acquired 47.3% of ownership in the project. The construction had begun in 2007 by China Harbour and CHEC and was completed in 2011¹⁰. Its physical potential for naval use is not known.
- **Germalink Port.** China has acquired 25% ownership under a joint-venture with level of investment not disclosed. China Merchant Port had carried out the construction in 2019.

Malaysia

In 2023, total bilateral trade between China and Malaysia reached US 190.24 billion USD, reaffirming China's position as Malaysia's largest trading partner for 15 consecutive years. With its advantageous geographical location, lower transit costs, and favourable trade policies, Malaysia has increasingly become an ideal hub for Chinese enterprises. China has invested in two projects namely Malacca Kuala Linggi International Project and the Kuantan Deep water Port Terminal Project and will invest in the third project i.e. Port Dickson near Kuala Lumpur¹¹. The first two ports have physical potential for naval use. Due to strong relation of China and US with Malaysia, it is unlikely that the country will pick up a side. Port at Kuala Linggi and Dockson is at the Malacca

strait and can be utilised during the perceived Malacca crisis. China leverage for using it for naval use cannot be determined.

- **Malacca Kuala Linggi Port International Project.** China has invested 170 million USD in the Turnkey project. The construction was started by China Communication construction Company Ltd (CCCC) in Sep 2023 with date of completion not disclosed.
- **Kuantan Deep water Port Terminal Project.** In 2013, an agreement was made between IJM Corp Bhd and Guangxi Beibu Gulf International Port Group for the latter to acquire a 40% share in Kuantan Port. The sale was finalized in 2015. From 2016 to 2018, the Kuantan Deep-water Port Terminal Project was undertaken by China Harbour Engineering Corporation (CHEC) for USD 370m.
- **Port Dickson near Kuala Lumpur.** Malaysia will invest 425 million USD in development of container port along the western coast facing Malacca Strait. Malaysian company Tanco holdings are in collaboration with Chinese based marine engineering company CCCC Dredging Co¹².

Indonesia

Indonesia is strategically located between the Indian and Pacific Ocean. As on date it owns 20.2 billion USD to China as result of BRI related loans. The debts are further likely to rise as the govt plans to shift its capital to Nusantara and expands there with Chinese investments. In case of delay in loan repayment, Indonesia may be forced to lease certain ports to China. There are three major ports found to have Chinese investments namely the Port of Jakarta (Tanjung Priok), Wilmar Integrated industrial park port and the Morwali sea port. Port of Tanjun has a potential for naval use, however utilisation of port for PLAN deployment during conflict is unlikely.

- **Tanjung Priok.** Port of Jakarta is the principal port of the country. It has 20 terminals inclusive of 80 berths. Chinese Port operator Ningbo Zhoushan Port co Ltd has invested about USD 5.9 billion through an Indonesia's state-owned company Pelindo II. China Merchant port has 50 % ownership in the Joint venture¹³. Jakarta International Container Terminal (JICT) and Koja Terminal are facilities at Jakarta's Port of Tanjung Priok, operated by Hutchison Ports Indonesia in partnership with Pelindo II. Hutchison acquired operating rights for JICT in 1999 and Koja Terminal in 2000, both with initial 20-year concessions¹⁴. In 2014, JICT's concession was extended to 2039. Reported investment 590 million USD.
- **Wilmar Integrated Industrial Park Port Phase 1.** China's CHEC had begun construction in Sep 2019 and completed it in Jan 2022. China has 0% share in the ownership. This port needs to be monitored for more inputs.
- **Morowali Sea Port.** Chinese firm Tsingshan Holding Group is investing in a joint venture. Morowali is the largest Nickel producing site in the country. This port needs to be monitored for more inputs.

Brunei

China has invested 140 million USD and has acquired 51% stake in **Muara Port Container Terminal Project**. Chinese Guangxi Beibu Gulf International Port Group has a joint venture in Brunei and begun its construction in Mar 2017 and completed in 2019. The port has a potential for naval use.

Philippines

The China-Philippines relationship is characterised by a blend of economic opportunities through initiatives like the Belt and Road Initiative, alongside significant trade and investment ties.

Recent high-level meetings have aimed to enhance these economic connections while addressing geopolitical challenges especially after change of leadership, reflecting a complex but evolving partnership. China has invested 10 million USD in port infrastructure. These are namely the Manila Port Container and Batangas Port Redevelopment Project. Both the ports have potential naval mil use however it cannot be leveraged by China due to current political tensions. Philippines is a BRI signatory to China.

- **Manila Port Container.** China has invested 10 million USD. The construction had begun in Mar 2015 and completed in Jan 2021 by China Harbour Company (CHEC).
- **Batangas Port Redevelopment Project.** The construction was started by Chinese CHEC in Sep 2017 and completed by Jul 2019.
- **Port of Davao.** In October 2016, China Communications Construction Company (CCCC) began a dredging project to create four artificial islands totaling 208 hectares in Davao City, aimed at developing government buildings, commercial spaces, residences, and ports. The project is part of a broader agreement to boost economic cooperation between China and the Philippines. Reported cost is 780 million USD.

Timore-Leste

China Civil Engineering Construction Corporation (CCECC) and China state construction Engineering Corporation (CSCEC) jointly built the turnkey project at Tibar Bay port with an investment of 940 million USD. The construction had begun in Aug 2019 and was completed in Sep 2022. It is a BRI signatory. The port has a potential naval use and can be leveraged by China.

South Korea

There are two ports of concern namely Busan and Gwangyang port in South Korea.

- **Busan Container Terminal.** Hutchison Holdings is the owner and operator of **Hutchison Korea Terminals**. In 2013, China Merchants Port (CMPort) acquired a share of **Busan New Container Terminal 5** operations through an asset transfer between Terminal Link and its parent company, CMA CGM. China has 100 % ownership and operating contract in terminal A of port. In 2015, China shipping, partially owned by COSCO, purchased 20% of Gamman Terminal operator, **Korea Express Busan Terminals**¹⁵. Further Chinese Port construction company Zhonghai Port has 20% stake in the project¹⁶. The construction had started in Dec 2015 and has been completed. The port has a potential military use however may not be able to be utilised due to its closer relationship with US. Total Chinese investment is 1.2 billion USD in Busan.
- **Gwangyang Port.** In 2001, Hutchison Holdings paid 560 million USD into a build, operate, and transfer consortium to expand the total number of berths at the port and lease seven berths for 30 years. According to recent financial reports, they hold an 89% share in the consortium.

North Korea

There are two ports namely Chongjin and the Rajin Port. Details are as under:-

- **Port Chongjin.** China has invested 7.8 million USD in **Chongjin Port Wharfs No 3-4**. China's Yanbian Haihua Group invested in a joint-venture and had begun the construction in Sep 2012 with 30 years lease 60.46 % ownership. The port is now capable of processing 7 million tons of

cargo a year. The port gives China access to the Sea of Japan, however it is yet to be fully developed. It does not have a potential for military use but can be leveraged by China.

- **Port Rajin.** In 2008 an agreement between the North Korean government and the Chinese Chuangli Group led to a 50 years operating agreement at the Port of Rajin including an alleged USD 500m investment in its construction, which finished in 2020.

Russia

China's Merchan Ship Group had invested 1 billion USD in the Zarubino port. It's a joint venture with 0% ownership. Its construction had begun in Sep 2014 and was completed in Sep 2018.

Part II: Pacific Island Countries and Australia

The Pacific Islands occupy critical sea lanes connecting Asia to America and Oceania¹. By investing in ports, China enhances its access to these maritime routes and strengthening its position in the Indo-Pacific. They are rich in fisheries, minerals and energy resources. These nations constitute roughly 17 nations namely Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, New Caledonia, French Polynesia and Easter Island They collectively hold one of the largest EEZs in the Pacific Ocean. As per the 2022 statistics by Lowy Institute Pacific, China has spent 4.5 billion USD, committed

1 Oceania is a collective name for the islands scattered throughout most of the Pacific Ocean. The term, in its widest sense, embraces the entire insular region between Asia and the Americas. However, the most popular usage excludes not only the Ryukyu, Kuril, and Aleutian islands and the Japanese archipelago but also islands that are historically closely related to the Asian mainland, such as Indonesia, Taiwan, and the Philippines.

another 10.6 billion USD with total of 670 projects running in nations of Pacific small Islands.

China has mainly invested in six of these countries. Considering all types of projects, Papua New Guinea has taken 49% of total investment, the other important five being Fiji (10%), Vanuatu (10%), Samoa (10%), Tonga (8%), Micronesia (6%). The balance 7 % is invested in the remaining countries, of which Solomon Islands takes priority where investments specific to Ports have been identified. Inputs on Cook Island a close ally to New Zealand has been recently received and certain details have been revealed. Comparatively the US has seen much lesser scale of investments of the order of 3.4 billion USD, committed only 4.4 billion USD with over 1100 projects up till 2022¹⁷. In the last three years, it has promised to commit 8 billion USD and opened new embassies in Tonga, Vanuatu and Solomon Island¹⁸. Solomon Island had become a concern after the security pact was signed with China. However very little of these projects are presently dedicated on port development. China sees the entire South Pacific islands as a low-risk, high-yield opportunity in terms of diplomatic votes in the international arena. It costs very little for China to 'buy' support via aid program and trade since all Pacific countries are small economies by Beijing's standards. If one takes port conditions in these countries into account, especially in terms of channel depth, there is a clear correlation, suggesting that channel depth is a significant criterion for investment. Since the BRI initiative in 2013, the PIC has seen a much higher interaction with China. The details of Chinese investment in Island nation are given in subsequent paras.

Papua New Guinea

Papua New Guinea is the biggest Island nation among the Pacific small island countries. Half of Chinese investments have been in this country. China is its 2nd largest trading partner after Australia. China has invested 290 million USD in port at **Lae Tidal**

Basin. China's Communication group had begun construction as a Turnkey project in Mar 2012 and completed it in Nov 2014. It has 0% ownership. It is a BRI signatory. As in 2022, China has overall invested 2.2 billion USD, committed a total of 8.1 billion USD and had a total of 99 projects ongoing¹⁹. Refer **Appx 'C'**, the ports of 'Vanimo and Madang' among the total 19 ports have been identified having the required depth necessary for Military use²⁰. **Appx 'C'** brings out total planned investment of 3,890 billion in five ports. Therefore, these ports including the 'Lae Tidal Basin', are required to be monitored.

Fiji

Fiji, the second largest nation is centrally located in the Pacific Islands and serves as a critical hub for trade and logistics. China has cumulatively invested 380 million USD in five ports viz Levuka, Lambasa, Savusavu, Suva and Lautoka²¹. Fiji is a BRI signatory. It has Loan debts of 400 million USD from Chinese banks for infrastructure development.²² China has overall invested 453 million USD, committed 479 million USD and had a total of 122 projects running in Fiji. Two of the ports viz Levuka and Suva have the anchorage and channel depth of more than 15 meters allowing potential PLAN use and can be leveraged by China in times to come.

Soloman

China's secret security pact was disclosed in Mar 2022, where for the first time among Pacific islands, Solomon Island can request Chinese assistance, including police, armed forces, and other law enforcement, raising concerns about a future Chinese military base. Similar pact got undisclosed, where China was on verge of signing pact with Papu New Guinea, however due to US and Australian pressure, it got cancelled. China through its China Civil Engineering Construction Corporation had won a 170 million USD contract for developing its capital city port of Honiara.²³ There are

total of 13 ports, of which top five ports viz, Ringi Cove, Gizo, Honiara, Tulagi and Yandina have been identified for port development by a planned investment of 370 million USD²⁴. The island is in the vicinity of this flight path between US and Australia and also has more ports compared with neighbouring countries, including deep water ports. Tulagi and Yandina ports have sufficient depth for potential naval use and can be leveraged.

Samoa

China has invested 75 million USD in port at Apia²⁵. China's CHEC had begun construction as a Turnkey project in Aug 2021 and completed it in Mar 2024. The port does not have a potential naval use, however it can be leveraged by China.

Vanuat

The Vila port has some potential with its limited channel depth of 12.2 meters. In 2018, as per Australian foreign ministry statement, there were rumours about Vanuatu agreeing to establishment of Chinese military base²⁶. Estimates suggest Vanuatu's debt to China stands at about 100 million USD, close to 20% of its GDP. China has invested 87 million USD in developing the **Luganville Wharf Redevelopment project**²⁷. Overall, China has invested 449million USD and committed 495 million USD with 69 projects currently running. Samoa is a BRI signatory. Vanuatu is situated northeast of Australia and along the air lanes linking the United States and Australia and the port need to be monitored for any investment.

Nauru

China Harbour built the turnkey project with an investment of 51 million USD. The construction had begun 2019 and completed in Sep 2022. It is a BRI signatory. The port does not have a potential naval use, however it can be leveraged by China.

Cook Islands

China and the Cook Islands signed two agreements in Feb 2025 that extend Beijing's engagement in the South Pacific to include deep-sea exploration and dual-use maritime infrastructure.

China seeks to overcome U.S.-imposed containment in the Pacific. The Cook Islands agreements include provisions for port infrastructure, potentially offering logistical support for the PLAN and expanding its presence in the third island chain. Since 2009, China state-led studies have identified critical minerals in the deep sea around the Cook Islands, especially cobalt, which is crucial for battery technologies. The island nation now is expected to facilitate Chinese mining operations, securing a supply chain advantage for Beijing²⁸. The recent discussions with China included plans for a multi-use transport hub in the Northern Cook Islands, inter-island transportation, and digital connectivity. The Action Plan mentions maritime infrastructure, hydrography, disaster cooperation that would allow China to bring in military forces, and the targeting of local government for influence operations. According to the Action Plan, the Cook Islands will now have to consult with China to coordinate policy before attending regional meetings²⁹.

Australia

Australia is also considered a part of the Pacific Ocean like in the case of the IOR. China and Australia have an evolving relationship marked by robust economic ties and strategic cooperation, with recent years seeing a thaw in political tensions and a resurgence in trade and investment. Despite challenges, both nations are focusing on strengthening their partnership through high-level dialogues and renewed economic engagements. China has invested a total of 8.08 billion USD in three ports at Melbourne, Newcastle and Darwin. Details are as under: -

- **Melbourne.** China has invested 7.3 billion USD. It had begun the construction in Sep 2016 for a 50 years lease and has moreover completed it.³⁰ China Investment Corporation Capital (CIC Capital), a 200 billion USD sovereign wealth fund establishment overall owns 20% stake in the port.³¹
- **New Castle.** Invested 420 million USD. China's Merchants Port (CM Port) had invested in a joint-venture and has acquired 50 % stake in 2018. The work had begun in Jun 2018 and is moreover completed³². CM Port has a secured an operations contract for 98 years in 2014.
- **Darwin.** China's Shandong Land bridge group had invested 360 million USD for a 99 years lease from 2015. The Landbridge Group has the rights to operations and as of May 2024 shares capital interest with the Northern Territory Government in ratio of 80:20. The construction had begun in Oct 2015 and is moreover completed³³. There are about 2,500 US Marines stationed in Darwin's harbour.
- **Botany.** Hutchison Holdings signed a contract in 2009 and invested a significant amount (reported 1 billion USD) into the expansion of the terminal when they took over operations in 2013. Work had started in 2012 and completed in 2015.
- **Brisbane.** Hutchison Holdings signed a contract in 2008 and invested in the expansion of 2 berths prior to taking over operations in 2014. It has invested 180 million USD.

Part III: Latin American Countries

Latin America

China is now the region's second largest trading partner. According to the World Economic Forum, in just two decades, its

economic bilateral relations have increased 26-fold, from \$12 billion in 2000 to \$315 billion in 2020³⁴.

As part of port investment, China has invested for one port each in Chile, Ecuador, Panama, El Salvador and two ports in Peru. Further in countries facing the Atlantic, one port each in Venezuela, Colombia, Honduras, Jamaica, Bahamas, and two ports in Mexico and three each in Cuba and Brazil.³⁵ The focus of research will be the countries facing the Pacific. The major countries where China has invested in the port projects is given in subsequent paras:

Peru

China is Peru's largest trade partner, largest source of imported goods, while Peru is China's fourth largest trading partner in Latin America. Two ports have been identified, Chancay and San Juan de Marcona. Chancay has seen the biggest investment among all the Latin American countries. The details are as under :-

- **Chancay.** The Chancay Port is a green field joint venture between COSCO and Peru's Volcan Mining. The large project began construction in 2011 and is primarily financed by a consortium of Chinese banks. The port was personally inaugurated by Xi Jinping on 15 Nov 2024, where China has invested 1.3 billion USD. It plans to further invest a cumulative amount of 4.5 billion USD to build an industrial park around it. China's Ocean Shipping Company (COSCO) had started the construction in 2019 with 60 % stake. The port has potential depth for military use and can be leveraged by China.
- **San Juan de Marcona.** China's cooperative enterprise Jinzhao has done on a leased agreement with 410 million USD³⁶. Chinese had received the contract to build the 3rd largest Port in Peru in Mar 2024.

Chile

Chinese companies now control approximately two-thirds of all of Chile's energy sector. Chile is an attractive location for Beijing for two primary reasons, it is one of the big three triangle (along with Argentina and Bolivia) in the critical mineral Lithium mines of the world. Chile has massive copper mines which China utilises. China imports 74.1 percent of all Chilean copper exports and 72 % of its lithium export.³⁷ Chinese SOE, China Harbour has invested 44 million USD in **San Antonio Pier Expansion project**. The Construction was started in Mar 2015 and completed in one year. The port has a potential for naval use and can be leveraged by China.

Ecuador

CHEC constructed the first deep water port in Ecuador. A portion of the financing was from the China Co-financing Fund for Latin America and the Caribbean (CHC). The concession was awarded to DP World. The port has a potential for naval use and can be leveraged by China. The reported cost is 538 million USD. Construction started in 2017 and finished in 2020.

Panama

Nearly 6 percent of global trade and 57.5 percent of the cargo transported in container that ships from Asia to the East Coast of the United States passes through the Panama Canal. Nearly 40 Chinese companies are already present in Panama in sectors as diverse as mining, finance, logistics, and telecommunications. Although China has 0% stake but it controls the **Balboa Container Phase III terminal** project and Dredging project and the Port of Colon. The details are as under.

- **Port Balboa.** In 1997, Hutchison Holdings, through its subsidiary Panama Ports Company (PPC), was awarded a 50-year concession to develop and operate the ports of Balboa, which was extended by the Panama Maritime

Authority. Hutchison Holdings holds a 90% effective interest in PPC. A number of Chinese state-owned businesses were involved in the expansion. This project started in 2000 and was completed by 2005. However, the operation of the port by Hutchison had started in 1997 for 50 years contract³⁸. For Container phase III terminal, the contracted construction began in Apr 2012 and was completed in Jan 2015. The port is only 6 kms away from the Noel Rodriguez Naval Base. "This allows China to observe effectively the operational routes and movements of all western navies through Panama Canal. The port has a potential for naval use and can be leveraged by China.

- **Port Colon.** Panama Ports Company (PPC), a subsidiary of Hutchison Holdings, won a 50-year concession in 1997. In 2016, China Holding Landbridge Group won a concession to develop another terminal. In June 2021, the Panama Maritime Authority (PMA) revoked their consortium's concession, citing non-compliance with contract terms, after completing over USD 300 million in work. However, Hutchison continues to hold 90% operating rights for 50 yrs from 1997.

El Salvador

China has invested 24 million USD in the turnkey project. The construction at La Libertad port by Chin's CHEC had begun in Jun 2021 and was completed by May 2024. The port does not have physical potential for naval use.

Mexico

There are three ports on the Mexico west coast at Manzanillo, Lazaro Cardenas and Ensenada where China is involved in port operation. The details are as under: -

- **Port Manzanillo.** In 2001, Hutchison Holdings acquired the operating rights to the Terminal Internacional de Manzanillo from ICTSI as part of a multiport deal for USD 400m. The 50-year concession, originating in 1994 is set to expire in 2044. Percent of operation is 100%.
- **Port Lazaro Cardenas.** In 2003, Hutchison Holdings acquired a 51% stake in a container terminal which they increased to 100% in 2005. In 2012, a new concession agreement was reached, granting a 30-year concession. Hutchison Holdings invested USD 220m into the expansion of the terminal from 2018 to 2023.
- **Port of Ensenada.** In 2001, Hutchison Holdings acquired the operating rights to the Ensenada International Terminal from ICTSI as part of a multiport deal for USD 400m with the concession lasting until 2037. Percent of operation is 100%.

United States of America

There are two ports on the US west coast at Los Angeles and Seattle where China was involved in investment and construction. Further, the Chinese government has visibility into shipping and supply chains infrastructure of US through LOGINX, which could allow it to track shipments of U.S. military cargo.

- **Port of Long Beach.** Since 2001, COSCO has operated the Pacific Container Terminal at Pier J of the Port of Long Beach through the company Pacific Maritime Services, a 46:44:10 joint venture between COSCO, SSA Marine and CMA CGM. The concession was initially set to expire in 2022 but was extended to 2042 in 2019. The other terminal, Long Beach Container Terminal is still operated by the Chinese SOE after the company was forced to sell its ownership shares due to pressure from the Trump

administration. The concession lasts until 2039³⁹. Further a total of 110 million USD has been invested by China Shipping (Group) Corporation. The construction had begun in 2009 and was completed in January 2014.

- **Seattle Container Terminal.** China invested 56 million USD in the joint venture 33:66 between COSCO Shipping Terminals and SSA Terminals LLC. COSCO is holding 33% stake in operations. The operation started in 2007 for 30 years contract.

Assessment

Considering the three geographical defined areas of SE and East Asia, PIC nations and Latin American countries to be different and having different geo-political implications, there assessment is being done separately.

South East, East Asia and Russia

China has developed a port in every ASEAN, both the Korean countries and Timor-Leste. It has heavily invested in Port infrastructure of Malaysia and Indonesia, both countries form part of the Malacca straits. Although both countries believe in balancing their relations with China and US, Chines geographic proximity and its closer economic relations may have a tilting effect depending on the political relationship at the expected point in time. China is the biggest trading partner to most of the South East Asian Countries and has economic leverage to influence the countries at its apex level. Refer Appx A, China has share of ownership of 50% and more in ports of Indonesia, Brunei and North Korea, more than 40% in ports of Singapore, Malaysia and Vietnam. It has 100% stakes in the operating contracts in one port each in N Korea for 50 years and for unlimited period in S Korea. It has 80% stakes in the operating contracts of two ports in Thailand and one port in S Korea for an average 28 years. 70% stake in the

operating a port in Vietnam for 50 yrs. This can give an additional leverage to China for intelligence collection and port logistic support for exploitation by PLAN. China's possible investment in Ranong port of Thailand as a future project in Andaman Sea needs to be closely monitored. The North Korean port gives China access to the Sea of Japan. Permanent presence of two PLAN ships in the port of Ream since Dec 2023 has given a fair degree of clarity of PLAN influence in Cambodia. China and Russia's Naval interaction has increased since the Ukraine war to three joint naval exercises, two joint patrols and first joint coast guard patrols in 2024. Both the countries are getting closer in lieu of common threat from the west. Chinese access to Russian ports and assistance in navigating through Artic Ocean is quite visible.

Pacific Island Countries (PIC) and Australia

Since 2008, China has invested in Fiji, Samoa, Solomon Islands and Papua New Guinea, nearly all of which have multiple ports. Refer **Appx C**, these countries also tend to have channel and wharf depths far exceeding those of the countries where the China has not invested. The other nations like New Caledonia, French Polynesia, Tonga, Niue, and Easter Island have not received such investment. If one takes port conditions in these countries into account, especially in terms of channel depth, there is a clear correlation, suggesting that channel depth is a significant criterion for investment. Among the Pacific Island countries where China has not invested, a channel depth of 12.2 meters represents the maximum depth of their ports, with the exception of Taiohae in French Polynesia, Cook Islands and capital city Honiara of Solomon Islands and some ports of Fiji and Papua New Guinea. In contrast, the four specific Pacific Island countries in which the China has invested each have at least one port with a channel depth exceeding 12.2 meters. Therefore, a channel depth exceeding 12.2 meters appears to be a general guideline for PRC investment with few exceptions. Countries like Solomon, Nauru and Vanuatu located

under or near US-Australia flight paths see more active diplomatic engagement from Beijing and tend to sign more agreements with security implications. Cook Islands give China access beyond the third Island Chain. Overall, the PIC can allow China to effectively project its military power in the Pacific. China has 100 % stake in the operating contract in four ports in Australia for an average 67 yrs. It has a 50 % acquisition in Australia's New Castle Port, overall giving a higher degree of leverage to utilise for its benefit. All the five ports have a potential naval use. Considering the present AUKUS and 'Five Eyed' security agreements with US and allies, use for Chinese military is unlikely, however surveillance over the five ports due to heavy Chinese presence cannot be ruled out.

Latin American Countries and USA

The Chinese access in Latin America gives it closer access to the Atlantic Ocean through the port in Panama for access in the Panama Canal. It has 90% stakes in the operating contract of both the ports across the Panama Channel. The port in Peru in the Pacific Ocean has a potential to increase access of South American Nations like Brazil to Pacific, which faces the Atlantic Ocean only. Provided that its road rail infrastructure builds to the hinterland and to the neighbouring countries like Brazil⁴⁰. For example, the shipping route between China and Brazil will decrease by 10 days from current 35 if the road/rail infrastructure builds up in Peru. On complete establishment of the Peru port and the necessary road infrastructure, the dependence of Latin American countries on US to carry out trade via Pacific Ocean will reduce drastically. China has 100% operating rights in this port for unlimited period. Port development in Chile has increased accessibility, to the critical mines from where China procures total of 72% of Lithium and 74% of copper exports of the country. These minerals are basic ingredients in producing niche technologies. US has by enlarge contained the spread, however it is vulnerable to China's cyber surveillance due to spread of logistic management software

LOGINK in its ports. The other concern is its huge dependence on Chinese cranes and other machinery in ports, which are networked and software enabled. Therefore, making it vulnerable to Chinese surveillance during move of civil and military logistics through ports.

Conclusion

As China now positions itself as the world's top exporter, top shipbuilder, top port operator and largest trading nation, with around 95 percent of its international trade carried out through searoutes, the Chinese Communist Party (CCP) will soon be able to dominate global maritime trade. China alone accounts for 50% in Global ship building capacities. These capabilities give a higher degree of leverage in the Pacific than any other nation. It has built a port in every ASEAN country and specially invested more on both the countries in the Malacca straits. China due to its global proximity with SE Asia and the higher economic ties does give a higher degree of leverage in swaying their opinion in economic, trade and other non-military matters. Further they are way ahead in investing in PIC nations than any other country (less Australia) with a known military pact with two nations at present. It has identified a number of ports in the island nation and is appreciated to carry out investment in those countries with potential depths for its naval ships. Like in the PIC, the Latin American countries are also integrated economically. Its port at the Panama channel gives its considerable leverage in intelligence collection and perceived concession in using the channel. Further its heavy investment in Peru is aligned with its strategy to have control of a major port and make it a hub of all port activities for Latin Countries in the Pacific. Post the economic isolation of Russia in the Ukraine conflict, the China-Russia joint Naval exercises and joint patrol has increased to almost double annually in the Pacific. Overall, China has established most influential position in the Port diplomacy in the Pacific and is leveraging its position to align favourable opinion in

its national interest in UN and similar forums. These efforts are likely to pay higher dividends to China especially from the economically dependent and weaker PIC and Latin American countries in matters of global interest like Taiwan Contingency, EEZ issues in SCS, HR issues in Tibet/Xinjiang and even in case of a possible Indo-China border conflict.

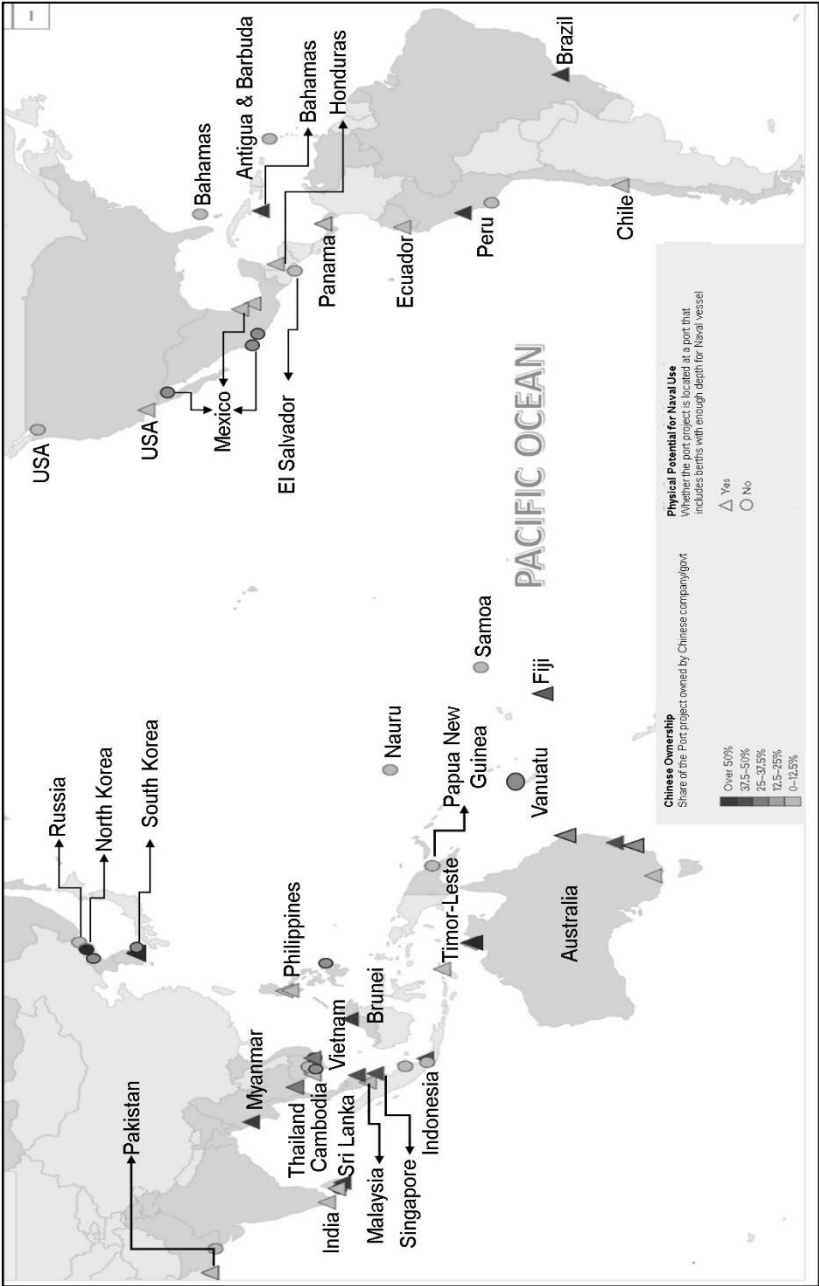
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China Port Investment in Pacific Ocean



Source -

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Appendix-B

S No	Country	No Of Ports	Port/Port Project	Chinese Present Investment (Total)	Share of Owner ship	Contract Agreement in % to Operate the Port Terminal and Period	Physical potential for Naval Use	Leverage for Naval use	BRI Signatory	Chinese company	Port Capacity In Millions per Year
SOUTH EAST ASIA, EAST ASIA and RUSSIA											
01.	Thailand	1	1. Laem Chabang terminal F 2. Thai Laem Chabang Terminal (TLT) 3. Hutchison Laem Chabang Terminal (HLT)	1.04 billion USD	30% 12.5% 30%	a. 87%, 25 yrs from 2001 b. 80%, 30 yrs from 2004 c. 7.7 %, 6 yrs from 2020	3	unclear	yes	CHEC, COSCO, CM Ports and Hutchison	12.4 TEU expected to grow till 18 TEU
02.	Singapore	1	Pasir Panjang (five births)	2.6 billion USD	49%	49% from 2003 for unlimited pd. 25% from 2020 for undisclosed pd	1	unlikely	yes	COSCO	8.85 TEU
03.	Cambodia	4	1. Ream 2. Kampot 3. Penom Pheh 4. Dara Sakor	3.528 billion USD	0% nk nk nk	nk nk nk 30% from 2023 for nk pd	2	yes	yes	CSCG CHEC Koh Kong Port Management	Nk 0.3 TEU 0.4 TEU nk
04.	Vietnam	2	1. Saigon (two terminal) 2. Germalink	163 million USD	47.3% 25%	a. 70 %, 50 yrs from 2007 b. 24%, 15 yrs from 2020 c. nk	1	unclear	yes	Hutchison, C HEC and China Merchant Port	2.2 TEU 1.5 TEU

S No	Country	No Of Ports	Port/Port Project	Chinese Present Investment (Total)	Share of Owner ship	Contract Agreement in % to Operate the Port Terminal and Period	Physical potential for Naval Use	Leverage for Naval use	BRI Signatory	Chinese company	Port Capacity In Millions per Year
05.	Malaysia	3	1. Malacca Kuala 2. Kuantan 3. Deep Dickson	540 million USD	0% 40% nk	a. nk b. 40%, unlimited pd from 2015 c. nk	2	unclear	yes	CCCC Dredging Co China harbour	1.5 cubic meters 0.6 TEU nk
06.	Indonesia	4	1. Tanjung Priok (two terminals JICT & Khoja) 2. Wilmar Integrated Industrial Port 3. Morowali Sea Port	5.9 billion USD	50% n 0% nk	48.9% for 40 yrs from 1999 48.09% for undisclosed pd from 2000 nk nk	1	Unlikely	yes	Ningbo Zhoushan Port CoZhejiang Hutchison CHEC and China Merchant Port	3.80TEU nk
07.	Brunei	1	Muara	140 million USD	51%	% Nk from 2017 for 60 yrs	1	yes	yes	Chinese Guangxi Beibu Gulf International	2.5 TEU
08.	Philippines	3	1. Manila 2. Batangas 3. Davao	790 million + USD	0% Nk 0% 0%	Nk Nk 0%	2	no	yes	CHEC	5.47TEU 0.45 TEU 0.83 TEU
09.	Timore-Leste	1	Tibar bay	940 million USD	0%	0%	1	yes	yes	CCECC & CSCEC	0.2 TEU

S No	Country	No Of Ports	Port/Port Project	Chinese Present Investment (Total)	Share of Owner ship	Contract Agreement in % to Operate the Port Terminal and Period	Physical potential for Naval Use	Leverage for Naval use	BRI Signatory	Chinese company	Port Capacity In Millions per Year
10.	South Korea	2	1. Busan (three terminals) 2. Gwangyang	1.76 billion USD	100% 0% 0%	a. 100 %, unlimited pd from 2002 b. 6%, undisclosed pd from 2013 c. 20%, undisclosed pd from 2015 d. 89 % 30 yrs from 2001	1 nk	no	yes	Hutchison Holdings Zhongai Port	8.16 TEU 2.2 TEU
11.	North Korea	2	1. Chongjin 2. Rajin	507.8 million USD	60.46% 0%	a. Nk b. 100 % for 50 ys from 2009	- 1	yes	yes	China's Yanbian Haihua Chinese Chuangli Group	0.53 TEU 0.4 TEU
12.	Russia	1	Zarubino	1	0%	nk	0	yes	yes	China's Merchan Ship Group	0.7 TEU
PACIFIC ISLAND COUNTRIES (PIC) and AUSTRALIA											
01.	Fiji	5	1. Levuka 2. Suva 3. Lambasa, 4. Savusavu 5. Lautoka	380 million USD	Not known	nk	2	Yes	yes	Not known	Limited 0.046TEU Limited 0.0035TEU 0.04 TEU
02.	Papua New Guinea*	1	Lae	290 million USD	0%	0%	no	yes	yes	CCCC	0.2 TEU

S No	Country	No Of Ports	Port/Port Project	Chinese Present Investment (Total)	Share of Owner ship	Contract Agreement in % to Operate the Port Terminal and Period	Physical potential for Naval Use	Leverage for Naval use	BRI Signatory	Chinese company	Port Capacity In Millions per Year
03.	Solomon **	5	1. Ringi Cove 2. Gizo 3. Honiara 4. Tulagi 5. Yandina	170** Million USD	Not known	nk	no	yes	yes	CCECCC	Limited Limited 0.033TEU Limited Limited
04.	Vanuatu	1	Luganville Wharf	87 million USD	Not known	nk	Not known	yes	yes	Not known	0.005TEU
05.	Samoa	1	Apia	75 million USD	0%	nk	0	yes	yes	CHEC	0.037TEU
06.	Nauru	1	Aiwo	51 million USD	0%	nk	No	yes	yes	China Harbour	0.0014TEU
07.	Australia	5	1. Darwin 2. Newcastle 3. Melbourne 4. Botany 5. Brisbane	9.26 billion USD	80% 50% 20% 0% 0%	100% for 99 yrs from 2015 100% for 98 yrs from 2014 nk 100 % for 30 yrs from 2013 100 %for 42 yrs from 2014	5	no	no	CM Ports Land Bridge group Hutchison Holdings	0.2 TEU 2.0 TEU 3.26 TEU 1.6 TEU 0.8 TEU

* Five ports in Papua New Guinea have been identified, the other four ports which are in planning phase are Moresby, Madang, Alotau and Vanimo. Total planned investment is 3.89 billion USD.

** Five ports in Solomon Island have been identified, the other four ports are Ringo cove, Gizo, Tulagi and Yandina. Total planned investment is 270 million USD. Unlike other PIC where investment had started in 2013, the investment in Solomon Island started in 2019 after change of one China policy from Taiwan.

S No	Country	No Of Ports	Port/Port Project	Chinese Present Investment (Total)	Share of Owner ship	Contract Agreement in % to Operate the Port Terminal and Period	Physical potential for Naval Use	Leverage for Naval use	BRI Signatory	Chinese company	Port Capacity In Millions per Year
LATIN AMERICA & USA											
01.	Peru	2	1. Chancay 2. San Juan de Marcona	1.71 billion USD	60% 0%	*100% for unlimited pd from 2024 nk	Yes nk	unclear	yes	COSCO Jinzhaohao	1.0 TEU nk
02.	Ecuador	1	Posoraha	538 million USD	0%	0%	Yes	unclear	yes	CHEC	0.75 TEU
03.	Panama	2	1. Balboa 2. Colon	1.3 billion USD	0% 0%	*90% for 50 yrs from 1997 *90% for 50 yrs from 1997	yes	unclear	yes	CHEC	5.0 TEU 2.0 TEU
04.	El Salvador	1	La Libertad	25 million USD	0%	nk	no	no	yes	CHEC	
05.	Mexico	3	1. Manzanillo 2. Lazaro Cardenas 3. Ensenada	1.02 billion USD	0%	*100% for 43 yrs from 2001 *100% for 20 yrs from 2003 *100% for 35 yrs from 2001	Not known	no	yes	Hutchison Holdings	.45TEU 2.25 TEU 0.4 TEU

S No	Country	No Of Ports	Port/Port Project	Chinese Present Investment (Total)	Share of Owner ship	Contract Agreement in % to Operate the Port Terminal and Period	Physical potential for Naval Use	Leverage for Naval use	BRI Signatory	Chinese company	Port Capacity In Millions per Year
06.	USA	2	1. Long Beach (two terminals) 2. Seattle	166 million USD	0%	*46 % for 40 years from 2001 *100% for 20 yrs from 2019 *33% for 30 years from 2007	yes	No	no	China Shipping Group Corporation	7.54 TEU 0.4 TEU
07	Chile	1	San Antonio	44 million USD	0%	0%	yes	unclear	yes	CHEC	1.7 TEU

South Pacific Island Countries' Commercial Port Conditions and PRC Port Investment

Country	Port Name	Anchorage Depth*	Channel Depth *	Wharf Depth*	Investment Status
French Polynesia	Vila	21.3	12.2	10	Not Invested
	Taiohae	13.7	23.2	6.1	Not Invested
	Avatoru	23.2	9.1	3	Not Invested
	Papeete	18.2	12.2	6.1	Not Invested
	Papetoai	23.2	12.2	4.6	Not Invested
Cook Islands	Uturoa	23.2	12.2	6.7	Not Invested
	Bora-Bora	23.2	10	4.6	Not Invested
	Avatiu	23.2	6.1	6.1	Not Invested
	Neiafu	23.2	10	7.6	Not Invested
	Pangai	23.2	6.1	3	Not Invested
New Caledonia	Nukualofa	23.2	10	15.2	Not Invested
	Easter Island	9.1	N/A	6.1	Not Invested
	Noumea	9.1	12.2	10	Not Invested
	Poru	23.2	N/A	9.1	Not Invested
	Baie Ugue	19.8	N/A	12.2	Not Invested
Average		20	11.29	7.36	
Samoa	Apia	23.2	23.2	9.1	Invested (110)
	Lambasa	16	10	12.2	Invested (380)
	Savusavu	23.2	3	6.1	
	Levuka	23.2	19.8	7.6	
	Suva	18.2	23.2	13.7	
Papua New Guinea**	Lautoka	13.7	9.1	7.6	
	Average	18.86	13.02	9.44	
	Lae	10	23.2	12.2	Invested (3890)
	Moresby	7.6	15.2	9.1	

Country	Port Name	Anchorage Depth*	Channel Depth*	Wharf Depth*	Investment Status
	Madang	23.2	15.2	10	
	Alotau	23.2	7.6	10	
	Vanimo	15.2	23.2	6.1	
	Average	15.84	16.88	9.48	
Solomon Islands***	Ringi Cove	N/A	23.2	9.1	Invested (370)
	Gizo	23.2	13.7	6.1	
	Honiara	18.2	9.1	9.1	
	Tulagi	23.2	23.2	3	
	Yandina	23.2	23.2	7.6	
	Average	21.95	18.48	6.98	
Overall Average		18.97	16.57	8.66	

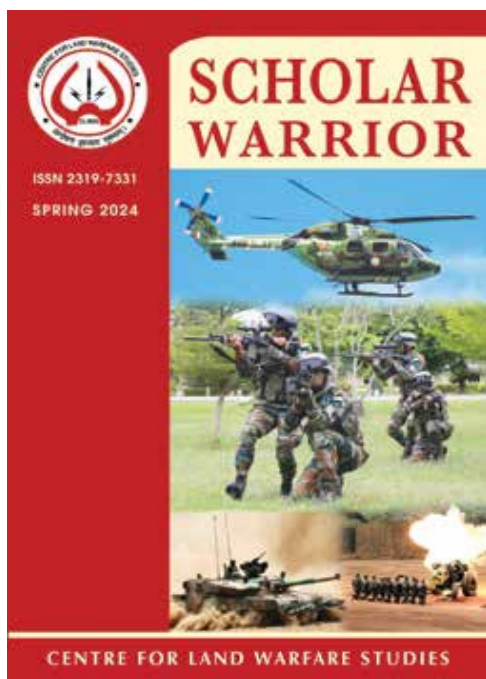
* Units: meters, extracted maximum values.

** 19 ports in total; only the top five ports are selected.

*** 13 ports in total; only the top five ports are selected.

Source. China Brief • Volume 24 • Issue 12 • June 7, 2024 15 PRC Pursuit of Geopolitical and Military Objectives in the South Pacific.

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China now dominates maritime trade in terms of volume, shipbuilding activity, and construction and ownership of ports around the world. China has now become the top trading partner for more than 120 countries. It has significantly invested in the Maritime Silk Road (MSR) to increase trade route options and bypass choke points, posing a significant challenge for US trade. The twenty-first-century MSR is responsible for the BRI maritime routes that connect China to Europe and the Arctic Ocean via the South China Sea and the Indian Ocean. President Xi has repeatedly emphasized that economic powers must be maritime and shipping powers.

The Indo-Pacific is a major hub of global commerce and will continue to be the main target for China's maritime control. The 10 busiest container ports in the world are located along the shores of the Pacific and Indian Oceans. The present paper deals with "China's Port Diplomacy in Pacific Ocean".

Currently China has been involved in at least 129 port projects outside its borders to capitalize on the infrastructure of low-income countries. At least 18 of these projects are under major Chinese ownership, of which eight are in the Pacific Ocean. The 'Key findings', gives out a clear understanding of China's percentage of ownership in the Ports and its ownership in the 'contracting rights', in littoral countries in the Pacific. The Appx B gives details of the state of the each of these ports.



Lt Col Abhishek Acharya was commissioned into the Corps of Signals in 2004. He holds a BE in Electronics and Telecommunication from National Institute of Technology (NIT) Raipur and MSc in Defence and Strategic Studies from DSSC Wellington. He has served in four Division Signal Regiments including an Armoured division, two in High Altitude Areas near LAC and LOC and one in Assam. He has been OC Communication in a Corps, tenanted an appointment of GSO I (China) and served in Army Centre of Electromagnetics (ACE),

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