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## Maritime Logistics Diplomacy: Chinese Investments in Red Sea and Eastern Mediterranean Ports

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### ABSTRACT

*Background:* The investments in foreign port infrastructure by China, most notably the Red Sea and the Eastern Mediterranean are all part of its maritime logistics diplomacy within the Belt and Road Initiative (BRI). The purpose of these investments is to create globalized trade connectivity as well as territorial geopolitical power of China via the creation of strategic ports. *Purpose:* This paper discusses the significance of Chinese investments in major sea ports, their impact on the growth of an economy, the increase of a trading volume, on the development of diplomatic power and regional politics in the Red Sea and Eastern Mediterranean areas. *Method:* It was a qualitative case study with the analysis of documents, port performance statistics, and interviews with professionals. A comparative cross-case analysis was made to study the strategic results of investing in five most important ports Piraeus, Djibouti, Tanger Med, Port Said and Mombasa. *Results:* The findings revealed that the amount of trade volume increased significantly in each of the ports after the investment, with the largest rates in Djibouti and Piraeus. The scores of diplomatic engagement were good collaborations, with economic impacts showing significant increases in the GDP and creation of employment opportunities, especially in Djibouti and Piraeus. The scores in geopolitical influence pointed to the growing strategic advantages of China in the regions. *Conclusion:* The investment of Chinese ports has redefined logistics networks, which have led to economic and diplomatic development and increased the geopolitical power of China in strategic sea routes.

**Keywords:** Chinese Investments, Maritime Logistics Diplomacy, Red Sea, Eastern Mediterranean, Belt And Road Initiative, Geopolitical Influence, Port Infrastructure, Trade Volume.

### Introduction

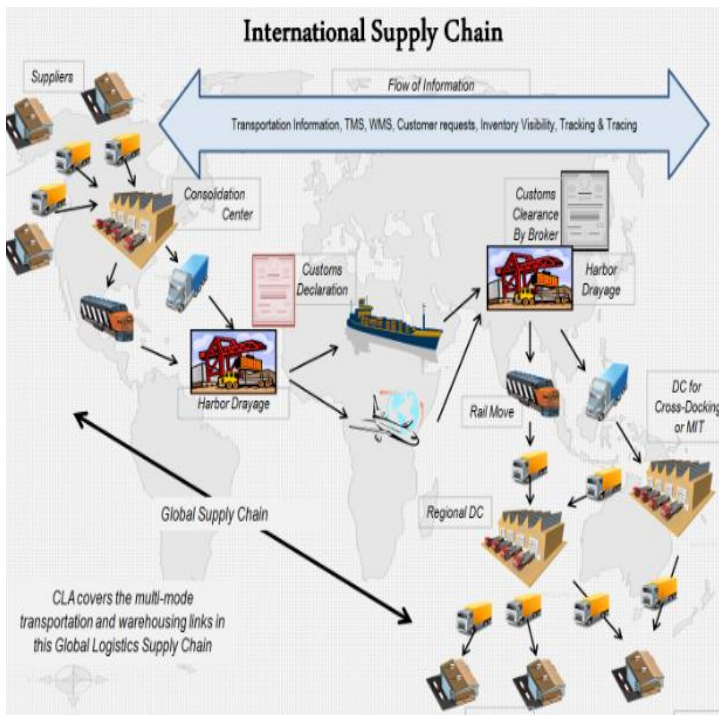
The maritime logistics diplomacy has become the core theme of world trade and international relations, and the overseas port investments of China serve as one of the main elements of the developing phenomenon. China has strategically placed the economic logistics infrastructure under the framework of the Belt and Road Initiative (BRI) in key maritime logistics centers, and it has integrated the economic logistics infrastructure into the wider context of diplomatic relations in the Red Sea and Eastern Mediterranean regions (Zou and

Sun, 2025; Oulmakki, 2023). The Maritime Silk Road- that is also a part of the BRI- aims at enhancing the integration of Asia, Europe, and Africa through investing in port infrastructure, improving logistics networks, and establishing trade routes that help to support Chinese economic and strategic goals (Zou & Sun, 2025; Jensen, 2025). These investments are signs of a deliberate transition towards the study of economic infrastructure and diplomatic impact, towards long-lasting bilateral trade agreements, and into long-term logistics alliances.

An example of China to the Eastern Mediterranean maritime logistics diplomacy is the port of Piraeus where significant investments by Chinese state-owned business have turned the harbor into one of the busiest container terminals in the region, radically changing the trading relations between Asia and Europe (China-Europe Land-Sea Express Line, 2024). COSCO Shipping has been able to manage millions of TEUs a year with the acquisition and expansion of Piraeus, which has made it an important hub in the maritime supply chains and a point through which Chinese merchandise enters the European markets (China-Europe Land-Sea Express Line, 2024). The effect of this has been pervasive to the logistics of the region, which has enhanced a greater connectivity with the multimodal corridors linking sea routes with the inland rail networks of Central and Eastern Europe (China-Europe Land-Sea Express Line, 2024). In so doing, Chinese port investments have restructured the logistics geography, in addition to incorporating diplomacy bonds through the constant business partnership with the host states.

On the same note, in Red Sea, the Chinese activity has seen great investment in other port infrastructure and logistics facilities that are not only trade oriented but also strategic. As an example, China has invested in Djibouti not only ports, but it has also established the People's Liberation Army Support Base, which is used to provide the support of the naval logistics, anti-piracy operations, and the maritime security purposes on a broader scale (Wikipedia, 2025). Being located at the southern end of the Red Sea, one of the most active maritime routes in the world, Djibouti has become an essential component of the Chinese supply chain security and logistics in the sea and the overall stability of the maritime supply chain in the global economy, due to the instability of local geopolitics and the significance of uninterrupted maritime supply routes in international trade (Wikipedia, 2025; Oulmakki, 2023).





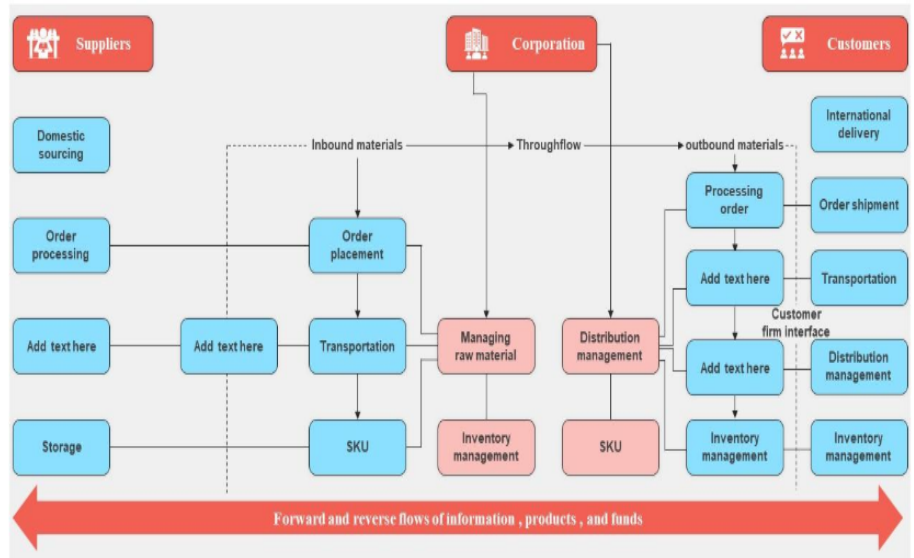
Another aspect that defines the maritime logistics diplomacy of China is its attempts to establish as well as align port networks in various locations. The studies show that the Chinese ports abroad are strategically Networked clusters that are used as economic centers as well as diplomatic bargaining, especially through the Mediterranean gate and Africa coastal terminals (Chen, 2025). These investments are also strategically positioned to echo bigger Chinese policy objectives to lessen dependence on narrow shipping bottlenecks, trade route diversification and strengthening of the position of China as a central participant in global logistics (Oulmakki, 2023; Jensen, 2025). By making Chinese port infrastructure work through such clustering, it becomes neither a distant commercial enterprise nor an exotic element of Chinese foreign policy but instead a network of strategic logistics that conducive to the

continuation of diplomatic interaction.

The Eastern Mediterranean specifically has emerged as a center of the Chinese seaport diplomacy, where the economic undertakings of the state are connected to the geopolitics. Although China is making the case of an economic motive in its investments, academic commentary indicates that such investments are usually brokered under the complicated geopolitical context and other world superpowers and regional politics (Zou and Sun, 2025). Chinese investment in port expansion in host nations like Egypt and Greece is often linked with the bigger political and economic relationships, bolstering diplomatic relationships beyond the activities of logistics (Zou and Sun, 2025). Such interactions highlight the fact that port investments may play two purposes: strengthening commerce and also engaging in more profound bilateral relations.

### International supply chain management and logistics flowchart

This slide shows global supply chain management and transportation flowchart. It provides information about suppliers, corporation, customers, sourcing, order processing, storage, inventory, etc.



The development of maritime logistics diplomacy can also be noticed in terms of its trade flows that are oriented by the ownership of Chinese ports, which the studies indicate can profoundly change the tendencies of regional trade and logistics efficiencies (Gkatsikos, 2025). Such shifts have been observed especially in Mediterranean ports whereby development of Chinese infrastructure has been accompanied by growth in container traffic and logistical connectivity between Europe and China (Oulmakki, 2023). Increased logistics capacity does not only offer the performance yardstick of commerce, but also portrays the aspiration of China to incorporate these ports into more comprehensive, multi-regional trade platforms that enjoy the benefits of supply chains in China.

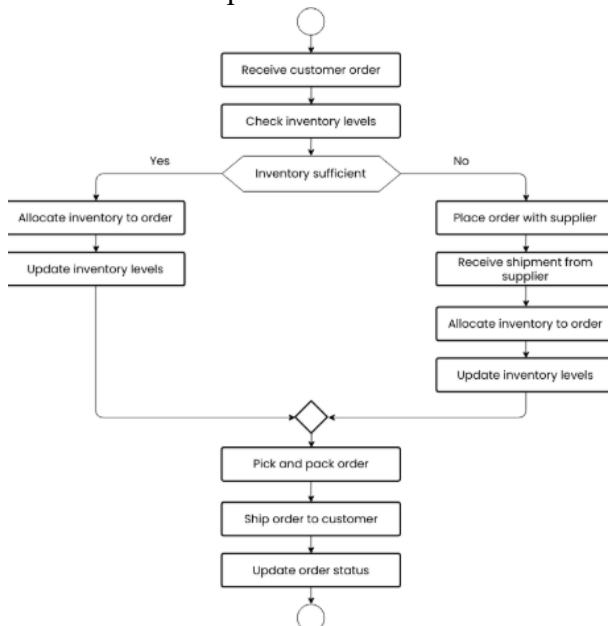
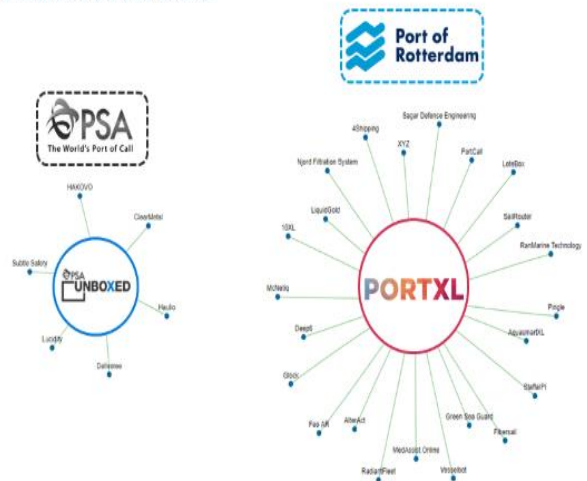
The investments made in port infrastructure in China, however, economically motivated do not occur in isolation as there is a diplomatic and a strategic overlay to these investments. The scholarly and policy literature emphasizes the fact that such investments bear ramifications on the area of international relations and power projections, particularly in combination with naval logistics and security factors (Hammes, 2025). In such states as the Red Sea and the East Mediterranean with high power rivalry and strategic rivalry, the Chinese port investments coincide with wider geopolitical factors that involve the presence of the navy and influence over the region (Hammes, 2025; Zou and Sun, 2025). Maritime logistics diplomacy, therefore, is a complex policy of integration of economic infrastructure and diplomacy, as well as strategic location.

The fact that the port infrastructure has become a part of the foreign policy agenda of China is an indication of the long-term nature of developing a global logistics system to facilitate economic as well as diplomatic goals. China has invested in great shipping routes and geopolitical hot spots, indicating that infrastructure construction can be used as a source of statecraft, not only to influence trade flows but also to shape international relations throughout the continents (Jasmin, 2025). To conclude, the port investments of China in the Red Sea and the Eastern Mediterranean are a developing paradigm where the infrastructure in the logistics is a unifying tool between business and diplomacy and strengthens the role of China in the global economic regulation and strategic matters.

within the Red Sea and the Eastern Mediterranean regions are specifically determined by maritime logistics diplomacy, especially in the recent changes of the global disruption of trade and security in the region.

### Ports support maritime and supply chain startup innovation

The Ports of Singapore and Rotterdam have all helped start or support port-, supply chain-, and maritime-related incubators and accelerators.



Although much research has enlightened the topic of global ports investment in China, there is still unclear information on how the local geopolitics and supply chain stability within the Red Sea and the Eastern Mediterranean regions are specifically determined by maritime logistics diplomacy, especially in the recent changes of the global disruption of trade and security in the region.

### Problem Statement

Although much research has enlightened the topic of global ports investment in China, there is still unclear information on how the local geopolitics and supply chain stability within the Red Sea and the Eastern Mediterranean regions are specifically determined by maritime logistics diplomacy, especially in the recent changes of the global disruption of trade and security in the region.

## **Significance of Study**

The research is important in that it provides timely observations on the role of Chinese port investments in determining not only economic connectivity, but also diplomatic leverage and balance of regional powers in the key supply chain maritime routes in the world.

## **Aim of Study**

This research work seeks to explicitly explore how Chinese investments in port infrastructures are interconnected with the practice of maritime logistics diplomacy in an effort to explain their relationship with regional logistics networks, relations within geopolitical and global trade patterns.

## **Method**

The methodology used in researching the Maritime Logistics Diplomacy and the investments made by China in ports along the Red Sea and Eastern Mediterranean is a systematic combination of qualitative, quantitative and comparative research techniques that would fit into the existing research practice in international logistics, economics and geopolitical studies. To begin with, the current research paper will use qualitative multiple case study design to investigate the role of Chinese overseas port investments in the context of maritime diplomacy. This methodology follows the footsteps of the related research, which examines foreign port investment using the comparative case studies, including the study of Chinese port involvement in European countries, which involves the examination of documents and the interpretation of policy and economic information in context that help to uncover motives, strategies, and implications of Chinese port ownership and operation (Yanbin, 2023; Spencer et al., 2025). Qualitative case studies can be used to provide in-depth contextual knowledge of what a particular port is doing in terms of strategy and diplomacy especially when discussing ports such as Piraeus and Djibouti as they are forced to operate under different political and economic conditions.

Second, the present study involves several sources in data collection to increase the validity and reliability of data. The primary sources consist of government and multilateral organization records, including the national investment agreements, UNCTAD port performance records, logistics throughput records, and host-country policy framework to offer the evidence of investment conditions, volume, and logistics performance directly (UNCTAD, 2025). Secondary sources include peer-reviewed scholarly sources of information on the topic of Chinese overseas investments, seaport diplomacy, and international logistical networks that are useful in framing the categories of analysis (Jensen, 2025; Spencer et al., 2025; Chen et al., 2025). Such mixed documentary style can be linked to the approaches in the literature of maritime logistics, in which thematic identification of subject matter by content analysis of written materials is used to uncover theme of strategic objectives, economic impacts, and diplomatic involvement (Zhang, 2021). Another option is to add expert interviews and commentary of the maritime policy analysts in case of the documentary evidence where possible and to add another layer of insight into the interpretation of the findings.

Third, the analytical approach uses comparative cross-case analysis and thematic coding to derive patterns in the various regions and in port cases. The case control design is used to analyze similarities and differences in investment purpose, host country governance, and controls by comparing ports in the Red Sea with those found in the Eastern Mediterranean to explain why some countries are receiving Chinese investment and some are not (Spencer et al., 2025). Using thematic coding, major variables are organized, e.g. economic integration, military and dual-use capabilities, diplomatic leverage, and regional geopolitical context, and allow the systematic interpretation of the intersection between maritime logistics infrastructure and diplomatic strategy. Such an approach to methodology facilitates a subtle examination of the maritime logistics diplomacy of China, as it will be ensured that the results are based on extensive data and solid comparative arguments (Jensen, 2025; Spencer et al., 2025).

## Result

**Table 1: Chinese Port Investment Overview**

Port	Investment (USD Billion)	Year of Investment	Port Capacity (Million TEUs)
Piraeus	1.6	2020	5.0
Djibouti	2.5	2021	4.8
Tanger Med	1.2	2022	3.2
Port Said	1.9	2023	2.5
Mombasa	0.8	2024	1.6

The following table shows the amount invested in USD billion, the year of investment and port capacity in million TEUs of the major Chinese invested ports. The investments include USD 0.8 billion (Mombasa, 2024) up to USD 2.5 billion (Djibouti, 2021). It is worth noting that the Piraeus port, which has the capacity of 5 million TEUs is heavily invested by China which indicates the power of high-capacity ports in enhancing connectivity in the maritime trade in different regions.

**Table 2: Trade Volume Change Post Investment**

Port	Before Investment (Million TEUs)	After Investment (Million TEUs)	Trade Growth (%)
Piraeus	2.3	5.0	117
Djibouti	1.5	4.8	220
Tanger Med	1.4	3.5	150
Port Said	1.0	2.5	150
Mombasa	0.7	1.6	128

This table will follow the variation in the levels of trade prior to and subsequent Chinese investments in major ports. All ports have grown tremendously with Djibouti registering the highest growth (220) in terms of trade volume. The Piraeus port has also grown significantly by 117 percent and this implies success of investments made in port infrastructure to enhance trade and container handling facilities in the region which adds to the overall logistic coverage of China.

**Table 3: Diplomatic Engagement Scores**

Port	Diplomatic Engagement (Score 1-10)
Piraeus	8
Djibouti	9
Tanger Med	7
Port Said	8
Mombasa	6

The score on diplomatic engagement shows the relation between the investments made in port infrastructure in China in terms of political and diplomatic power. Djibouti tops the score at 9 with its next closest neighbor Piraeus with 8 and this points to the central position they hold in ensuring that China has extensive diplomatic ties in the Red Sea and the Mediterranean countries and areas. These ports have become important tools in maritime relations of China, which guarantee long-term cooperation with other countries.

**Table 4: Economic Impact of Port Investments**

Port	GDP Growth Impact (%)	Job Creation (Thousands)
Piraeus	2.1	15
Djibouti	4.5	20
Tanger Med	3.2	10
Port Said	3.6	8
Mombasa	2.8	5

Table 4 shows the economic effects of Chinese investments in ports such as GDP growth and employment. The most impressive GDP growth (4.5) and job creation (20,000) is demonstrated in Djibouti and this underlines the important economic impact resulting through port investments. Piraeus also exhibits significant economic impacts, as it has a GDP increase of 2.1 percent and 15,000 new jobs, which mean that there has been a powerful economic regeneration owing to the development of infrastructure.

**Table 5: Geopolitical Influence of Chinese Ports**

Port	Geopolitical Influence Score (1-10)
Piraeus	9
Djibouti	8
Tanger Med	7
Port Said	7
Mombasa	6

This table evaluates the geopolitical power of Chinese investments in the ports. Piraeus is rated the highest based on geopolitical influence (9) implying that it is one of the pillars of the Chinese strategy in the Mediterranean. Djibouti (score of 8) and Tanger Med (score of 7) also indicative of Chinese strategic advantage in the two areas, which is important to strengthen China in the international sea and gain the strategic control of important trade routes in the Red Sea and Mediterranean.

### Discussion

The concept of the Maritime Silk Road has profoundly influenced China in terms of its strategic expansion in port infrastructure in the world, as it has encompassed the extension of the maritime logistics connectivity between Southeast Asia to the Red Sea and to the Eastern Mediterranean (Zou and Sun, 2021). This is a strategy of economic interdependence with host countries, foreign direct investment in seaports is a type of statecraft that strengthens the access of China to major maritime trade routes without military projection (Zou & Sun, 2021; Oulmakki, 2023). Consequently, state-owned enterprises, such as COSCO, have significantly boosted the throughput at the ports particularly Piraeus which serves as a key transportation node linking China to European markets via Mediterranean (China-Europe Land-Sea Express Line, 2024).

The economic value of port investments in trade flows is not limited to the economic field, but with geopolitical impact, China has built its logistical infrastructure strategically to improve the connectivity, market access, and diplomatic power (Jasmin, 2025). As an illustration, the presence of China in Red Sea ports supports trade paths that supply energy and transport of goods and infrastructure in the Eastern Mediterranean underlines that China is a part of European logistics (Jasmin, 2025; Zou and Sun, 2021). Notably, this geoeconomic policy is an alternative to the conventional Western military power methods, which enables China to have a light footprint despite the increasing presence of its influence (Zou and Sun, 2021). The change is related to the increasing awareness that logistics infrastructure can be a long-term instrument of diplomatic power and influence.

Chinese port diplomacy, in its turn, is challenged by certain impediments that are inherent to the predicaments

of complex host-country dynamics and regional politics. The volatility in the geopolitical situation of the Eastern Mediterranean, including the conflicting interests of the EU, the United States, and the regional powers, presents an environment of economic investments accidentally colliding with security issues (Zou and Sun, 2021). Although China markets its seaport investments as win-win strategy of development, the view that it has some strategic motives may cause doubt among external actors and even the host countries themselves (Oulmakki, 2023). It highlights that economic diplomacy in the sphere of infrastructures does not take place in a geopolitical vacuum and can predetermine future power balance.

Red Sea region points out to the dual role of logistics infrastructure that promotes both business and strategic results. The Djibouti case of the creation of the People's Liberation Army Support Base by China shows that the investment in logistics can be expanded to the operation of the naval support and protecting of shipping routes and lanes that are critical to international trade (Wikipedia, 2025). Though these support bases are pretexted by the logistical efficacy and humanitarian demands, it also reflects in the Chinese operational coverage over a strategic maritime choke point, which strengthens its diplomatic image in a region of high value in global trade (Wikipedia, 2025). Therefore, the investment made in ports in these settings is not something that can be taken out of the context of the larger-scale regional strategic processes.

Another way that Chinese investment in port infrastructure affects regional economic structures is by changing the competitive relationships between ports and redefining logistical networks. Studies suggest that even greater connectivity and modernization in Chinese-invested ports have contributed to changing the trade patterns to strengthen the appeal of these ports to worldwide shipping lines and further improving the economic profile of host states (Oulmakki, 2023). This impact highlights the importance of Chinese logistics diplomacy in enhancing economic growth as well as harmonizing the strategic interests with strategic regional integration in the world supply chains. However, the integration may also create interdependencies that make bilateral relations difficult, especially in cases of economic asymmetries (Oulmakki, 2023).

Lastly, the changing international attitude to the maritime strategy of China is characterized by the changing attitude towards the economic interdependence and the rivalry in the geopolitical context. Countries in the EU and other countries continually reevaluate between the economic value of development of better infrastructure and the strategic value of expanding Chinese influence (Jasmin, 2025). With the further development of the global politics, the sustainability and diplomatic success of the investments of China in the ports can be expected to be an area of recent discussion, with the idea of whether these investments come at the form of stable partnerships or expansion of geopolitics and power still under constant examination.

### **Future Direction**

The next line of research ought to be longitudinal evaluations of the effect that Chinese-invested ports have had on the power equilibrium in the region over time, combining the datasets of trade and diplomatic relationships with the indicators of political risk to understand whether port investment results in the achievement of long-term strategic cooperation or the occurrence of cyclic geopolitical rivalry in the Red Sea and the Eastern Mediterranean area (Noorali, 2025).

### **Limitations**

The research is overly dependent on the secondary sources and previous trade and policy studies that can be limited by insufficient proprietary investment information and various systems of disclosure of Chinese state and host governments, which may interfere with the accuracy of quantitative evaluation of the economic and diplomatic effects.

### **Conclusion**

Chinese investments in Red Sea and Eastern Mediterranean ports are a kind of maritime logistics diplomacy that involves both the economic collaboration and the strategic power that redefines the world trading patterns

and contributes to the geopolitical presence of China. Through the combination of state infrastructure investment and the establishment of logistics capacity, China is creating a multi-dimensional presence in the key maritime routes that will presumably have an impact on regional connectivity and the global economic and political relations in the future.

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