



Security Nexus Perspective

LOOKING BEYOND THE REGION: UNDERSTANDING INDO-PACIFIC DYNAMICS THROUGH LATIN AMERICA AND THE CARIBBEAN

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To fully understand Indo-Pacific dynamics, it is necessary to examine China's growing influence outside the Indo-Pacific. China's global strategy extends far beyond its immediate sphere, leveraging economic investments, infrastructure development, and diplomatic engagement to establish footholds in these strategically significant areas. Although much attention has been devoted to the Belt and Road Initiative (BRI), Indo-Pacific watchers often overlook the impact outside their area of responsibility. The PRC's activities outside the Indo-Pacific still directly impact the region by influencing global trade routes, supply chains, and regional alignments. Recognizing the interconnectedness of these regions is essential for developing comprehensive strategies to counter China's expanding global reach and safeguard U.S. interests.

China's Role in the Caribbean

The Caribbean, often one of the most overlooked areas in global strategic assessments, holds immense significance as it lies directly in the United States' backyard. Despite its proximity to the US, the region has become a focal point for China's expanding global strategy. While China's investments in the region are often framed as development assistance, they also raise concerns about Beijing's underlying motivations and the long-term implications for the sovereignty and economic independence of Caribbean nations.

China has reshaped the Caribbean's economic landscape through significant investments in infrastructure projects. For example, [Jamaica's North-South Highway 2000](#), financed by the state

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owned China Harbour Engineering Company (CHEC), has improved connectivity but raised concerns about debt dependency and China's control over strategic assets. For example, as part of the financing agreement, CHEC was granted [a 50-year concession](#) to operate the highway, including toll collection rights, effectively giving China long-term operational control and revenue rights. [The toll rates were also set by CHEC](#), have been criticized for being high, which places a financial burden on local commuters and businesses and makes Jamaica's citizens bear the cost of the infrastructure while the profits flow to a foreign entity

The \$4 billion Baha Mar resort in the Bahamas, financed by the Export-Import Bank of China has raised similar concerns. The Baha Mar resort was primarily financed by the Export-Import Bank of China (Exim Bank), which provided a [\\$2.45 billion loan](#) for the project. The project's bankruptcy in 2015 further deepened these concerns, as its subsequent sale to Hong Kong-based [Chow Tai Fook Enterprises](#) entrenched China's influence over one of the Bahamas' most prominent tourism assets.

In Trinidad and Tobago, China's investments are part of broader efforts to position the country as a logistics hub for international trade, leveraging its strategic location between Latin America and the Panama Canal. A key project is the La Brea dry dock, a \$500 million [facility being developed by China Harbour Engineering Company \(CHEC\)](#) since 2018 under the Belt and Road Initiative (BRI). The dry dock is intended to attract shipping companies for major repairs and inspections. Additionally, China has committed [US \\$104 million to develop an industrial estate](#) near the dry dock. Chinese tech company Huawei, has also become [deeply integrated into Trinidad and Tobago's digital infrastructure](#). The company has expressed "long-term plans" to use Trinidad and Tobago as a strategic hub for the eastern Caribbean. While these projects promise economic benefits, they have also raised significant concerns about Trinidad and Tobago's growing financial dependency on China. The country's debt to China reportedly surged from \$2.2 billion to \$6 billion [within a year of joining the BRI in 2018](#). Coupled with China's involvement with critical infrastructure and government-related projects, these developments highlight the risks of economic dependency and the potential for geopolitical influence in a region vital to U.S. interests.

Dominica, a small island nation of 66,000 people in the Caribbean, has become a notable example of China's growing influence in the region. Since switching diplomatic recognition from Taiwan to Beijing in 2004 after China pledged an [aid package of US\\$112 million](#) over several years. Dominica has since received a series of multiple Chinese-funded projects that have transformed its infrastructure and strengthened bilateral ties. One of the most prominent projects is the grant funded US\$40 million construction of the [Dominica-China Friendship Hospital](#). Dominica has also received financial aid [and concessional loans](#) from China but these

efforts often come with long-term debt obligations that leave Beijing as a modest but visible creditor in the country's external debt profile. Additionally, China has financed [low-income housing projects](#), [provided agricultural equipment and technical training](#), and [awarded scholarships](#) to Dominican students to study in Chinese universities. These initiatives also deepen Beijing's political relationships in Dominica, ensuring consistent diplomatic alignment in international forums.

China's activities in Jamaica, the Bahamas, Trinidad and Tobago, and Dominica reflect its strategic use of economic diplomacy to expand its influence in the region. While these investments have boosted development and addressed critical needs, they also raise concerns about debt dependency, loss of sovereignty, and Beijing's ability to exert political and economic control. The Caribbean's proximity to the United States makes China's activities particularly significant, underscoring the need for careful scrutiny of Beijing's motivations and long-term objectives.

China's Role in Latin America

Latin America is emerging as a critical theater for China's expanding influence, with significant implications for U.S. interests and Indo-Pacific dynamics. Through resource-driven investments, infrastructure development, and diplomatic engagement, China has steadily deepened its presence in the region. China has become the second-largest provider of debt to Latin America with loans totaling over [\\$136 billion between 2005 and 2022](#). Much of this financing is concentrated in energy, infrastructure, and telecommunications sectors, with loans often tied to trade agreements requiring repayment through exports, such as oil or minerals.

Latin America is home to critical minerals such as lithium, copper, and rare earth elements, essential for advanced technologies. China's involvement in Bolivia's lithium industry reflects its strategic focus on securing critical resources for its growing electric vehicle and renewable energy sectors. Bolivia, home to the world's largest lithium reserves with an estimated [23 million tons](#), has struggled to move beyond pilot projects and small-scale production. In 2023, two major agreements were signed between Bolivia's state-owned Yacimientos de Litio Bolivianos (YLB) and Chinese companies. The first, in January, saw a consortium of Chinese companies commit \$1.4 billion to [build two lithium extraction plants](#) and [another \\$857 million in a project in the Uyuni salt flats](#) just months later. These agreements mark a significant step forward in Bolivia's efforts to capitalize on its lithium reserves, with China playing a leading role in advancing commercial production.

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China has strategically secured a growing share of Latin America's raw copper supply to meet the significant domestic demand generated by its infrastructure and energy industries. Chile, which [supplies nearly one-third of China's total raw copper imports](#), has been a key partner in this effort. Chile became one of the first Latin American countries to join China's Belt and Road Initiative (BRI) in 2018. Similarly, China has established long-term offtake agreements with mining companies in Peru and Mexico, securing a steady flow of raw copper from the region. In Peru, [70% of its copper is exported to China](#). Likewise, in 2021, [94 percent of Mexico's copper exports](#) were sent to China.

This steady influx of Latin American copper has fueled China's dominance in global copper refining. Despite holding only 4 percent of global copper reserves, [China produces 45 percent of the world's refined copper](#), underscoring its strategic reliance on imports from resource-rich countries like Chile, Peru, and Mexico. This dominance not only supports China's industrial growth but also highlights its ability to leverage diplomatic and economic partnerships to secure vital resources for its long-term development goals.

Beyond investment in critical minerals in Latin America, infrastructure development has been central to China's strategy in the region, with projects such as ports, railways, and highways aimed at enhancing trade connectivity and integrating the region into global supply chains. A notable example is the China owned deep-water [Chancay Port in Peru](#). The port is operated by the COSCO, a Chinese shipping company who invested US\$1.3 billion in the project. Located near Lima, the port is designed to handle large cargo volumes, linking Latin America to the Indo-Pacific. The port is estimated to become [Latin America's third largest](#). China's involvement with Latin America ports allows it to reshape regional trade networks to align with its economic interests. However, in situations of crisis or conflict, this control could become a strategic risk, potentially disrupting commerce and/or granting Beijing leverage over critical supply chains.

Following the ouster of Nicolás Maduro in early 2026, the future of China's relationship with Venezuela has entered a period of uncertainty. Prior to this, China has provided loans and investments in exchange for oil, solidifying its position as a key partner, becoming Venezuela's [biggest oil customer in 2025](#). Further south, Chinese companies have financed railways and storage facilities to [transport agricultural products from Brazil's interior to ports](#). China's relationship with Ecuador has also rapidly increased over the past 10 years, with \$11 billion in loans toward various infrastructure and energy projects. In this same time period China has also become [heavily involved in key sectors such as oil, mining, and the automotive industries](#). China National Petroleum Corporation (CNPC) and Sinopec jointly operate an oil block development project in Ecuador through Andes Petroleum, while China Railway Construction Copper Crown Investment Co., Ltd. has fully invested in the Mirador copper mine in Southern Ecuador. These

projects have led to Ecuador to be named one of the most [heavily indebted countries to China](#) in the world. In Panama, China has [invested in port infrastructure and logistics facilities near the Panama Canal](#), raising concerns about Beijing's influence over this critical maritime chokepoint.

China's expanding economic and political footprint in Latin America has emerging implications for the Indo-Pacific. Through investment in ports, railways, and energy infrastructure, often via long-term concessions or construction roles-Beijing is building influence in a region where the US has traditionally held strategic advantage. These projects deepen China's integration into Western Hemisphere supply chains and create potential leverage with partner governments, even if they fall short of outright control.

While China's presence in the Americas does not directly reshape global trade routes, it diversifies Beijing's options and expands the geostrategic space from which it can pursue its interests. This growing footprint could over time give China additional avenues to challenge US influence, adding another dimension to an already complex strategic environment.

Connecting Latin America & the Caribbean to Indo-Pacific Dynamics

Supply Chains and Critical Resources

China's expanding presence in Latin America and the Caribbean is not isolated from the strategic competition playing out in the Indo-Pacific. Instead, these activities shape the operating environment, resource flows, and geopolitical alignments that matter for U.S. strategy in the Indo-Pacific. Although these regions sit outside the traditional geographic boundaries of Indo-Pacific command structures, their strategic relevance does not.

First, China's ability to sustain military modernization, industrial capacity, and high-tech growth depends heavily on external supplies of copper, lithium, oil, and agricultural commodities. Latin America provides a substantial share of the copper and lithium that underpin China's defense industrial base, including electronics, batteries, and naval systems. As China secures long-term access to raw material flows from Chile, Peru, Bolivia, and Mexico it strengthens its supply chain resilience while reducing the effectiveness of economic or maritime pressure in a crisis.

Second, port access and maritime flexibility across global sea lanes is critical. While Chinese port projects in the Caribbean and Latin America are framed as commercial, they create

logistical and political conditions that could enable greater global mobility over time. Even if these facilities are not designed as military bases, commercial presence can translate into future strategic access.

Third, China's economic statecraft in Latin America and the Caribbean increasingly translates into diplomatic influence. Several Caribbean states and Latin American partners have shifted their voting patterns in international forums in ways that align more closely with Beijing. Additionally, Chinese scholarships, training programs, elite engagement, and media partnerships build sympathetic political constituencies that may be leveraged during crises, whether in UN votes, global sanctions enforcement, or coalition actions in response to PRC coercion.

Finally, a PRC presence near the U.S. homeland, particularly around key maritime approaches and digital infrastructure, can generate strategic distraction or require additional defensive posture. This allows the PRC to apply indirect pressure closer to the U.S. homeland to complicate American focus in the primary Indo-Pacific theater.

Conclusion

China's expanding presence in Latin America and the Caribbean is becoming an increasingly important component of its global strategy. By deepening access to critical resources, diversifying supply chains, cultivating diplomatic partners, and laying the groundwork for potential dual use infrastructure the PRC seeks to mitigate vulnerabilities linked to resource dependence, maritime chokepoints, and international isolation.

The intersection of China's activities in Latin America and the Caribbean with developments in the Indo-Pacific demonstrates how contemporary geopolitical competition extends across regions that were once viewed as strategically distinct. Rather than unfolding in isolated theaters, major power rivalry now spans overlapping economic networks, political alignments, and infrastructure systems. Understanding these cross regional linkages provides clearer insight into how global power is accumulated, exercised and contested in the 21st century.



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March 2026