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China and the Middle East:  
Strengthening Relations and Regional Stability

# China and the Middle East: Strengthening Relations and Regional Stability

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The Saudi-Iran normalization agreement, brokered by Beijing in March 2023, underscores China's growing involvement in the political and security landscape of the Middle East. This engagement encompasses a comprehensive array of economic, technological, and geopolitical factors, considering the geostrategic significance of the Middle East. This paper maps the Chinese influence in the Middle East, its implications for global geopolitics, and its effects on regional development. It also assesses the impact of evolving China-Middle East relations on the American military, economic, and political footprint in the Middle East.

**Keywords:** Middle East, China, Belt and Road Initiative, Maritime Silk Road, Digital Silk Road, Regional Stability.

## Introduction

Middle Eastern politics witnessed an unprecedented positive turning point on 10 March 2023, as the Islamic Republic of Iran and the Kingdom of Saudi Arabia (KSA) announced a Chinese-sponsored agreement to restore their diplomatic relations after decades of proxy wars in the region against each other.<sup>2</sup> It was

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2. Bishara, Marwan. "The Saudi-Iran Détente and Its Regional Implications." Al Jazeera, March 12, 2023. <https://www.aljazeera.com/opinions/2023/3/12/the-saudi-iran-detente-and-its-regional>.

something that decades of American influence in the region could not produce. This Beijing-brokered normalization is a major indicator of China's influence as a regional peace broker. The diplomatic deadlock between the US and Iran regarding the nuclear deal<sup>3</sup> and multiple sanctions imposed on Iran made China a significant player in the Middle East. China's increased involvement has reshaped the region's security and economic landscape.

China's engagement in the Middle East transcends conventional security and energy paradigms, encompassing various economic, strategic, and geopolitical factors. The Belt and Road Initiative (BRI), a significant and far-reaching initiative China has ever put forward, is expanding its interest and influence in the region and beyond. China has also entered into various comprehensive strategic and cooperative agreements with Middle Eastern states, aiming to promote seamless economic, political, and diplomatic relations within the region.

In 2022, China held its first China-Arab States Summit and China-Gulf Cooperation Council (GCC) Summit, signifying its steadfast commitment to uphold strategic partnerships in the region and strengthen economic development beyond its traditional energy-centric interests.<sup>4</sup> In 2023, China played a prominent role in facilitating the establishment of diplomatic relations between KSA and Iran, thereby ending their decades-long rivalry for power and regional dominance.

China's increasing involvement in the Middle East is the prominent factor shaping the geopolitical and geoeconomic landscape of the region and has implications for global politics. This paper provides a comprehensive

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3. Robinson, Kali. "What Is the Iran Nuclear Deal?" Council on Foreign Relations, October 27, 2023. <https://www.cfr.org/backgrounder/what-iran-nuclear-deal>.

4. Eslami, Mohammad. Papageorgiou, Maria. "China's Increasing Role in the Middle East: Implications for Regional and International Dynamics." *Georgetown Journal of International Affairs*, May 30, 2023. <https://gija.georgetown.edu/2023/06/02/chinas-increasing-role-in-the-middle-east-implications-for-regional-and-international-dynamics/>.

review of China's expanding presence in the Middle East, examining the implications of this growth on global geopolitics. Furthermore, it analyzes the likely alterations in the region as it becomes more influenced by China

### **The Middle East's Pivot and Shifting Alliances**

Many analysts have argued that the influence of the US as a power broker in the Middle East has waned. Several events have contributed to this situation, such as the US' long occupation and abrupt withdrawal from Iraq and Afghanistan, the decision to pull out of the Joint Comprehensive Plan of Action (JCPOA), commonly known as the Iran nuclear deal, imposition of multiple strict sanctions, strained relationship with Saudi Arabia under Biden's administration, and the continuous support of Israel for Gaza occupation. These factors have hurt US credibility in the region.<sup>5</sup> Moreover, the increasing US involvement in the Asia Pacific and Indian Ocean Region and the weakening domestic political environment are key factors leading to the diminished influence of the US.

For nearly two decades, the debate within the US about its role in the Middle East has swung back and forth between the administrations in the White House. These include the protracted military interventions in Iraq and Afghanistan by the Bush administration over unsubstantiated allegations and the ambivalence of the Obama administration, which initially vowed to end the Iraq War but ultimately redeployed troops to Iraq and Syria, along with implicit backing for various military operations in the region. Moreover, the volatile fluctuations characterizing Trump's policy approach to the Middle East and the strained relations under the Biden administration have collectively engendered heightened wariness among Middle Eastern states.<sup>6</sup>

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5. Hale, Erin. "Can China Replace the US in the Middle East?" Al Jazeera, April 25, 2023. <https://www.aljazeera.com/features/2023/4/25/can-china-replace-the-us-in-the-middle-east>.

6. Katulis, Brian. "Treading Cautiously on Shifting Sands: An Assessment of Biden's Middle East Policy Approach, 2021-2023." Middle East Institute, September 26, 2023. <https://www.mei.edu/publications/treading-cautiously-shift->

This trust vacuum was gradually alleviated by China, which entered the region with economic opportunities even for the war-ravaged territories in the Middle East. Though China does not intend to replace the US which has numerous military bases in the region, it can benefit from expanding its economic and diplomatic influence.

Over the past decade, China has gradually become the top trading partner of almost every Middle Eastern state and the biggest buyer of oil from Saudi Arabia and Iran.<sup>7</sup> The BRI aims to connect Asia, Africa, and Europe through a China-backed network of highways, ports, railways, and the infrastructure projects.

Between 2005 and 2022, China's investment and regional contracts were estimated at USD 273 billion.<sup>8</sup> The Iran-KSA peace deal has given strength to these pursuits. China maintains the policy of non-interference in the domestic issues of other states, making itself the less controversial mediator than the US. Chinese soft power projection conveys it as benign as the states "have not seen China conduct itself in a way that would be threatening to them, or that has the potential of being threatening."<sup>9</sup>

### **China's Strategic Steps in the Middle East**

For centuries, the Middle East has been inviting the attention of great powers. The region's importance is its cultural and religious heritage, strategic location, and primary resource, oil. Situated at the hub of Europe, Africa, and Asia, the Middle East is at the crossroads and a bridge between continents.<sup>10</sup>

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7. Xu, Muyu. "Explainer: Iran's Expanding Oil Trade with Top Buyer China." Reuters, November 10, 2023. <https://www.reuters.com/markets/commodities/irans-expanding-oil-trade-with-top-buyer-china-2023-11-10/>.

8. "China Regional Snapshot: Middle East and North Africa." Committee on Foreign Affairs, November 21, 2022. <https://foreignaffairs.house.gov/china-regional-snapshot-middle-east-and-north-africa/>.

9. "Can China Replace the US in the Middle East?"

10. Long, David E. Reich, Bernard. "The Government and Politics of the Middle East and North Africa." (Boulder, CO: Westview Press, 2011), 1.

Historically, it linked the trade routes connecting Asia with Africa and Europe. Today, the location of this region makes it a critical link in the communication network, joining the Far East, Southeast Asia, and South Asia with Africa and Europe.<sup>11</sup> The region's significance is heightened by its abundant and high-quality oil reserves, making it a major exporter. The states' collective exports stood at around 15.4 million barrels of oil per day in 2022.<sup>12</sup> This economic potential invites considerable commercial and strategic attention from outsiders.

China's relationship with the Middle East mainly centers on its domestic energy demands and the development of BRI. Since 2015, China has depended on imports for about 72 percent of its oil needs, half of which comes from the Persian Gulf.<sup>13</sup> Since the Middle East is strategically located at the heart of global trade routes and sea lanes, these linkages will help China reach the center of global trade networks through BRI.<sup>14</sup>

The Maritime Silk Road is the oceanic component of BRI, aimed at improving China's access to the world market by investing in transportation infrastructure, and the Middle East is the most important maritime choke point for this purpose. China flagged up the United Arab Emirates (UAE) as BRI's "mega-hub" in 2018 and signed a USD 300 million deal with UAE capital's Khalifa Port.<sup>15</sup> It is now run by the state-owned China Ocean Shipping Company Limited (COSCO).<sup>16</sup>

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11. "The Government and Politics of the Middle East and North Africa."

12. Sönnichsen, N. "Middle East: Oil Exports 2022." Statista, August 25, 2023. <https://www.statista.com/statistics/265311/oil-exports-from-the-middle-east/#:~:text=In%202022%2C%20the%20Middle%20Eastern,barrels%20of%20oil%20per%20day>.

13. Bradsher, Keith. "China's Economic Stake in the Middle East: Its Thirst for Oil." *The New York Times*, October 11, 2023.

14. Lons, Camille. Fulton, Jonathan. "China's Great Game in the Middle East." *ECFR*, October 22, 2020. [https://ecfr.eu/publication/china\\_great\\_game\\_middle\\_east/](https://ecfr.eu/publication/china_great_game_middle_east/).

15. Kane, Frank. "China flags up UAE as Silk Road mega-hub with \$300m port deal." *Arab News*, December 10, 2018. <https://www.arabnews.pk/node/1418636/business-economy>.

16. Sly, Liz. Ledur, Julia. "China Has Built a Global Network of Ports Critical to Trade." *The Washington Post*, November 5, 2023. <https://www.washingtonpost>.

Moreover, the conflict-ridden urban centers of Syria and Iraq, economically challenged nations such as Yemen and Lebanon, and rapidly advancing economies like Saudi Arabia, the UAE, Qatar, and Kuwait offer optimal prospects for investment by enterprises owned by the Chinese government.

In 2016, China released Arab Policy Paper with the initiatives of jointly building the “Silk Road Economic Belt” and the 21st Century Maritime Silk Road,” introducing the 1+2+3 cooperation pattern, under which China and Arab countries will upgrade the cooperation by “taking the energy cooperation as the core, infrastructure construction and trade and investment facilitation as the two wings, and the three high and new-tech fields of nuclear energy, space satellite, and new energy as the three breakthroughs.”<sup>17</sup>

### ***Economic and Infrastructure Investments***

China enjoys good relations with Middle Eastern states, cooperating closely in economic, political, and security domains. With sweeping reforms, infrastructure development, and technological investments, China has emerged as the largest trading partner of the Middle East. The trade exchange between China and GCC countries exceeded USD 180 billion in 2019, replacing the European Union as the top trading partner of the GCC in 2020.<sup>18</sup>

Today, China is KSA’s foremost trading partner, as evidenced by the bilateral trade volume between the two nations, which reached USD 87.3 billion in 2021. Beijing’s exports to the Kingdom, including textiles, machinery, and electronics, amounted to USD 30.3 billion. Similarly, imports from Saudi

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com/world/interactive/2023/china-ports-trade-military-navy/.

17. “China’s Arab Policy Paper.” The State Council of the People’s Republic of China, January 13, 2016. [https://english.www.gov.cn/archive/publications/2016/01/13/content\\_281475271412746.htm#:~:text=China’s%20proposed%20initiatives%20of%20jointly,three%20high%20and%20new%20tech.](https://english.www.gov.cn/archive/publications/2016/01/13/content_281475271412746.htm#:~:text=China’s%20proposed%20initiatives%20of%20jointly,three%20high%20and%20new%20tech.)

18. Aziz, Abdel. Aluwaisheg. “Expanding the China-GCC Strategic Partnership in Translation - Al Arabiya.” Al Arabiya News, April 4, 2018. <https://english.alarabiya.net/in-translation/2021/01/04/Expanding-the-China-GCC-strategic-partnership.>

Arabia, comprising crude oil and primary plastics, accounted for USD 57 billion.<sup>19</sup> Both states have also set up a USD 20 billion investment fund to link Saudi Vision 2030 with BRI. In December 2022, they signed a comprehensive strategic partnership agreement which included thirty-four energy and investment deals in multiple sectors.<sup>20</sup>

China's bilateral trade with the UAE exceeded USD 64 billion in 2022, making it China's largest non-oil trading partner. By 2022, China had become Iran's top oil importer, while its bilateral trade with Iraq was estimated at USD 53.37 billion.<sup>21</sup> China-Türkiye bilateral trade also grew impressively from around USD 10 billion in 2006 to over USD 31.6 billion in 2021.<sup>22</sup>

Middle East is most important to the maritime element of BRI. According to BRI Investment Report 2021, "African and Middle Eastern countries picked up an increasingly large share of Chinese engagement, up from 8 percent in 2020 to about 38 percent of BRI engagement in 2021."<sup>23</sup> In 2021, the investment increased by 360 percent and construction engagement by 116 percent compared to 2020.<sup>24</sup> COSCO invested in Red Sea Gateway Terminal and KSA's Public Investment Fund to operate a container terminal at Jeddah Islamic Port.<sup>25</sup>

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19. Alhamawi, Lama. "How China Became Saudi Arabia's Top Trading Partner, Revived Ancient Silk Road." Arab News, December 8, 2022. <https://www.arab-news.pk/node/2213231/business-economy>.

20. Baabood, Abdullah. "Why China Is Emerging as a Main Promoter of Stability." Carnegie Middle East Center, May 24, 2023. <https://carnegie-mec.org/2023/05/24/why-china-is-emerging-as-main-promoter-of-stability-in-strait-of-hormuz-pub-89829>.

21. Ramezani, Farzad. Bonesh. "Iraq – China Trade and Developments." Middle East Briefing, October 9, 2023.

22. "China (CHN) and Turkey (TUR) Trade." The Observatory of Economic Complexity, November 2023. <https://oec.world/en/profile/bilateral-country/chn/partner/tur>.

23. Wang, Christoph. "China Belt and Road Initiative (BRI) Investment Report 2022." Green Finance & Development Center, February 3, 2023. <https://greenfdc.org/china-belt-and-road-initiative-bri-investment-report-2022/>.

24. "China Belt and Road Initiative (BRI) Investment Report 2022."

25. Port Technology Team, "Cosco and Pif Buy 40% of Red Sea Gateway Terminal." Port Technology International, July 15, 2021. <https://www.porttechnology.org/news/cosco-and-pif-buy-40-of-red-sea-gateway-terminal/>.



China has played a significant role in building the Duqm Port in Oman and Jazan Port in KSA and developing Duqm Special Economic Zone Authority (SEZAD), UAE's Khalifa Port Free Trade Zone (KPFTZ), and Jazan City for Primary and Downstream Industries (JCPDI).<sup>26</sup>

Similarly, Iraq has received high investments for infrastructure projects since 2021, with about USD 10.5 billion in construction contracts.<sup>27</sup> China and Iraq are cooperating to build the Al-Khairat heavy oil power plant in Karbala province with an investment of about USD 5 billion.<sup>28</sup> Moreover, China has further sought to invest USD 10 billion in the construction projects in the Autonomous Kurdistan Region in northern Iraq.<sup>29</sup>

In July 2017, China held the first Trade Fair on Syrian Reconstruction Projects, announced USD 2 billion for reconstruction,<sup>30</sup> and donated 800 electrical power generators to Latakia, Syria's largest port.<sup>31</sup>

In January 2022, Syria joined BRI forming a strategic partnership with China.<sup>32</sup> In March 2021, China and Iran signed the Comprehensive Strategic Partnership (CSP), a twenty-five-year cooperation deal, encompassing different areas, including

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26. Fulton, Jonathan. "China's Changing Role in the Middle East." Atlantic Council, June 2019.

27. "China Belt and Road Initiative (BRI)."

28. Reuters. "Iraq Top Recipient of China's Belt and Road Initiative Financing in 2021." South China Morning Post, February 2, 2022. <https://www.scmp.com/business/china-business/article/3165611/iraq-top-recipient-chinas-belt-and-road-initiative>.

29. Staff Writer. "Chinese Firm Offers to Invest \$10bln in Kurdistan Projects." ZAWYA, January 23, 2023, <https://www.zawya.com/en/projects/construction/chinese-firm-offers-to-invest-10bln-in-kurdistan-projects-slc1tugz>.

30. Zreik, Mohamad. "Chinese Geo-Strategic Expansion in the Levant: A Case Study of Lebanon." Modern Diplomacy, March 15, 2022. <https://moderndiplomacy.eu/2022/03/13/chinese-geo-strategic-expansion-in-the-levant-a-case-study-of-lebanon/>.

31. Lyall, Nicholas. "China in Postwar Syria." The Diplomat, March 11, 2019. <https://thediplomat.com/2019/03/china-in-postwar-syria/>.

32. Cafiero, Giorgio. "Assad in China: Syria's New Economic and Diplomatic Ally?" The New Arab, September 25, 2023. <https://www.newarab.com/analysis/assad-china-syrias-new-economic-and-diplomatic-ally>.

energy, banking, telecommunication, ports, railways, healthcare, and information technology.<sup>33</sup> The CSP constitutes a significant initiative within the BRI, with an estimated value of USD 400 billion.

This project entails the joint development of Jask and Chabahar ports and the exclusive exploitation rights for three oil fields situated near Jask in southern Iran.<sup>34</sup> China has also pledged USD 23 billion of loans, aid, and investment, USD 20 billion for reconstruction needs, USD 3 billion for the region's financial sector, and nearly USD 240 million in the social stability and humanitarian aid for Syria, Jordan, Lebanon, and Yemen.<sup>35</sup>

### ***Digital Silk Road***

Middle Eastern states are taking steps to transform and adopt digital government models. This journey identifies six high-impact themes relevant to the public sector, especially in GCC, including smart cities, smart tourism, next-generation care, classroom for the future, smart government, and future of mobility.<sup>36</sup>

Through its Digital Silk Road initiative, Beijing seeks to enhance its role as a high-tech power and leverage data for promoting economic development and transformation. In recent years, Chinese enterprises have achieved significant success in securing 5G agreements, particularly with GCC.<sup>37</sup>

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33. Eslami, Mohammad. Kemie, Joel Anthony. "China–Iran's 25-Year Deal: The Implication for the Belt and Road Initiative and Joint Comprehensive Plan of Action (JCPOA)." *The Palgrave Handbook of Globalization with Chinese Characteristics*, January 8, 2023. 575–89, [https://doi.org/10.1007/978-981-19-6700-9\\_34](https://doi.org/10.1007/978-981-19-6700-9_34).

34. "دسریم ہار زان نیچروپ نیچ؛ رامباچ زا دنہ ندش ہتشانگ رانک"، ہداز یقت اضر، July 14, 2020, <https://www.radiofarda.com/a/commentary-on-Iran-India-and-chabahar-project/30726259.html>.

35. Zhou, Laura. "China Pledges US\$23 Billion in Loans and Aid to Arab States." *South China Morning Post*, July 10, 2018. <https://www.scmp.com/news/china/diplomacy-defence/article/2154642/china-pledges-us23-million-loans-and-aid-arab-states-it>.

36. Durou, Emmanuel. "National Transformation in the Middle East: A Digital Journey." Deloitte, 2020.

37. Zinser, Sophie. "China's Digital Silk Road Grows with 5g in the Middle East." *The Diplomat*, January 25, 2021. <https://thediplomat.com/2020/12/chinas-dig->

The GCC countries are expected to host most of the world's 5G subscribers by 2025.<sup>38</sup> Chinese tech-giant Huawei is involved in these initiatives, focusing on the region's annual information and communication technology (ICT) market of USD 164 billion.<sup>39</sup>

Likewise, NEOM is an important project of KSA's Vision 2030. Chinese companies are bringing environmentally friendly technology to build this city which is managed by artificial intelligence (AI). As observed by experts at the International Monetary Fund (IMF), China's help is crucial for its development as it is considered an integral part of BRI.<sup>40</sup>

China has also signed an agreement with the UAE to develop a comprehensive cybersecurity strategy and create safe and strong cyber infrastructure in the country.<sup>41</sup> These agreements will ensure host countries' development and China's transition as a digital power, paving the way for its emergence as the leading technological force in key industries.

### ***Security Engagement***

In addition to energy and infrastructural cooperation, China has expanded its military outreach in the Middle East in recent years, aiming to consolidate diplomatic relations and protect its strategic interest along BRI in the Middle East.<sup>42</sup> Until now, China has concluded security partnerships with fifteen Middle Eastern countries, including an anti-piracy and maritime security agreement in the Arabian Sea and Gulf of Aden.

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38. National Transformation in the Middle East."

39. Saleh, Salma. "Mena: Total Spending in It 2022." Statista, July 11, 2023.

<https://www.statista.com/statistics/430704/mena-total-spending-in-it/>.

40. Reuters. "IMF Endorses Saudi Plan for \$500BN NEOM Zone." Arab News, November 1, 2017. <https://www.arabnews.com/node/1186391/business-economy>.

41. Rahal, Nabila. "UAE's Cybersecurity Council and Huawei Ink Mou to Strengthen Local Cybersecurity Strategies." Arabian Business, March 23, 2022.

<https://www.arabianbusiness.com/industries/technology/uaes-cybersecurity-council-and-huawei-ink-mou-to-strengthen-local-cybersecurity-strategies>.

42. Marks, Jesse. "China's Pursuit of a 'Strategic Fulcrum' in the Middle East." Middle East Institute, September 15, 2020. [https://www.mei.edu/publications/chinas-pursuit-strategic-fulcrum-middle-east#\\_edn8](https://www.mei.edu/publications/chinas-pursuit-strategic-fulcrum-middle-east#_edn8).

China conducted large-scale operations to rescue its nationals from Libya and Yemen in 2011 and 2015, increasing its mediation efforts in the Syria and Yemen conflicts.<sup>43</sup> Technical activities include intelligence sharing agreements, joint security training, and counter-terrorism exchanges. The Shanghai Cooperation Organization (SCO) is also used to solve Middle Eastern security challenges. The SCO Secretary General Vladimir Vorov met with a delegation from the Arab League to initiate SCO-Arab League security and trade cooperation. SCO's commitment to combat the "three evils" of "separatism, terrorism, and extremism" in the Middle East was underscored.<sup>44</sup>

Chinese ships guard the Gulf of Aden and completion of military projects in Djibouti.<sup>45</sup> It also exported arms amounting to USD 307.7 billion to twelve countries in the Middle East and North Africa.<sup>46</sup> Through 2018, the three highest purchasers of Chinese drones were situated in the Middle East, with the UAE accounting for 22.1 percent, KSA for 19.3 percent, and Egypt for 15.5 percent.<sup>47</sup> China has reportedly exported Dongfeng ballistic missiles to various states in the region<sup>48</sup> and established joint ventures with KSA to produce military weapons.<sup>49</sup>

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43. Lons, Camille. Fulton, Jonathan. "China's Great Game in the Middle East." ECFR, October 22, 2020. [https://ecfr.eu/publication/china\\_great\\_game\\_middle\\_east/](https://ecfr.eu/publication/china_great_game_middle_east/).

44. "China's Pursuit of a 'Strategic Fulcrum' in the Middle East."

45. Hale, Erin. "Can China Replace the US in the Middle East?" Al Jazeera, April 25, 2023. <https://www.aljazeera.com/features/2023/4/25/can-china-replace-the-us-in-the-middle-east>.

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48. "Saudi Arabia's Ballistic-Missile Programme."

49. Helou, Agnes. "Chinese and Saudi Firms Create Joint Venture to Make Military Drones in the Kingdom." Defense News, August 18, 2022. <https://www.defensenews.com/unmanned/2022/03/09/chinese-and-saudi-firms-create-joint-venture-to-make-military-drones-in-the-kingdom/>.

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## ***Diplomatic Linkages***

China's role as a neutral and non-aligned player in the region has enhanced its ability to engage in peace promotion and mediation efforts. Chinese efforts to address the most prominent conflicts in the region are undeniable. These include involvement in the Syrian and Yemen crises, participation in the Doha Agreement to encourage peace in Afghanistan, and engagement in JCPOA negotiations.<sup>50</sup> Most notably, China brokered Iran-KSA rapprochement in March 2023 led to the resumption of diplomatic relations, ending the decades-long rivalry between the two states.<sup>51</sup>

Middle Eastern states have found Chinese principles of co-existence and non-interference, and the commitment to safeguard common interests through independence and autonomy, highly trustworthy to pursue diversification in their economic, security, and diplomatic ties. The region is witnessing massive economic transformation. For example, KSA is considering accepting yuan for oil sales to China. Moreover, the KSA, Iran, and UAE are willing to join BRICS. These trends underscore China's significant diplomatic involvement in the region, highlighting the desire of Middle Eastern countries for increased autonomy and flexibility in their foreign relations.

## **Implications for the United States**

China's increasing footprint in the Middle East has significant implications for regional and international actors, especially the US, which is the key security partner of regional states and has several military bases in the region.<sup>52</sup> US interest in the region

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50. Eslami, Mohammad. Papageorgiou, Maria. "China's Increasing Role in the Middle East: Implications for Regional and International Dynamics." *Georgetown Journal of International Affairs*, May 30, 2023. <https://gija.georgetown.edu/2023/06/02/chinas-increasing-role-in-the-middle-east-implications-for-regional-and-international-dynamics/>.

51. Harrison et al., Ross "Monday Briefing: Saudi-Iran Rapprochement amid Regional and Global Shifts." Middle East Institute, August 21, 2023. <https://www.mei.edu/blog/monday-briefing-saudi-iran-rapprochement-amid-regional-and-global-shifts>.

52. "Can China Replace the US in the Middle East?"

focuses on the freedom of navigation and the access to energy resources.

Although there are several overlaps in the interests of the US and China in the region, their bilateral relationship is more of a competition than cooperation, considering the recurrent patterns of their trade wars and other points of divergence.

China's growing influence and economic ties have heightened concerns within Washington and is perceived as a challenge to the latter's predominance in the region. The US National Security Strategy describes China in a "hawkish language," referring to a geopolitical competition between free and repressive visions of the world.<sup>53</sup>

From the US perspective, China has taken advantage of the security umbrella the US has provided without contributing to Middle East's stability. In President Obama's view, China has been a "free rider" for the last thirty years.<sup>54</sup> Washington's concerns would rise as Chinese firms expand their presence in technological, energy, infrastructure development, and economic sectors.

China's technological advancement and development of 5G networks in the Middle East are being seen as a major challenge for the US. This is notably framed as a security concern, particularly in states with ongoing US military cooperation and advanced US weaponry systems.<sup>55</sup>

Moreover, Iran's improving relations with Middle Eastern states, especially KSA, and its expanding trade and military relations with China challenge US dominance. They will more likely make JCPOA obsolete.<sup>56</sup> After taking office in 2021,

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53. Fulton, Jonathan. "China's Changing Role in the Middle East." Atlantic Council, June 2019. [https://www.atlanticcouncil.org/wp-content/uploads/2019/06/Chinas\\_Changing\\_Role\\_in\\_the\\_Middle\\_East.pdf](https://www.atlanticcouncil.org/wp-content/uploads/2019/06/Chinas_Changing_Role_in_the_Middle_East.pdf), 14-17.

54. "China as a Free Rider." The New York Times, August 9, 2014. <https://www.nytimes.com/video/opinion/100000003047788/china-as-a-free-rider.html>.

55. "China's Changing Role in the Middle East."

56. "China's Increasing Role in the Middle East."

President Biden got off to rocky relations with KSA by releasing the intelligence assessment that Crown Prince Mohammad Bin Salman approved the operation to capture and kill the journalist Jamal Khashoggi,<sup>57</sup> straining US-Saudi Arabia relations.

However, the US is the leading supplier of arms to the Middle East, covering around 47 percent of its entire arms exports, and has dozens of military bases and thousands of troops stationed in the region.<sup>58</sup> Despite the fast-rising influence of China, Middle Eastern states rely on US military bases and weapon imports for security, and are unlikely to entirely annul their security relationship with the US in favor of China.

The US is quite vigilant about Chinese engagements and has pressured the UAE to halt the construction of a Chinese military facility at Port Khalifa.<sup>59</sup> This indicates that the US political power is much more substantial than China in the region. While China has extended its economic and diplomatic influence in the Middle East, the US may continue to lead regional security issues.

### **Impact of China's Growing Influence on the Region**

For Middle Eastern states, Chinese interest came at an opportune time amidst rising questions about the credibility of US commitment to the region. Factors, including wars in Iraq and Afghanistan, the Obama administration's response to the Arab Spring and Syrian civil war, and negotiations with Iran in JCPOA, have contributed to Arab states' reevaluating their perspective on the US.

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58. Salacanin, Stasa. "The Ukraine War and Russia's Arms Sales to the Middle East." The New Arab, October 31, 2023. <https://www.newarab.com/analysis/ukraine-war-and-russias-arms-sales-middle-east>.

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Moreover, the differences in the American and Chinese strategies for the Middle East are evident. China adheres to a non-interference policy, emphasizing preservation of territorial integrity and national autonomy of other states. Its approach involves a soft military presence in the region. This stands in sharp contrast to the US, which has a history of extensive military involvement, interventions, and imposition of strict sanctions on regional states. This contrast has significantly contributed to regional alliances shifting from the US to China.

China's economic engagement in the Middle East brings infrastructural, trade, and investment opportunities. The expanding presence of China and its substantial economic investments offer regional states an avenue for development following decades of conflicts, adversities, civil wars, and sanctions imposed by Western entities. The twenty-five-year strategic and economic partnership concluded between Iran and China is a bulwark against American sanctions, providing vast opportunities for trade and assistance in military industries and intelligence capacities.

Chinese companies have been actively involved in the reconstruction of Syria, undertaking projects such as constructing ports, roads, and railways. Their substantial financial support, coupled with Syria's official participation in the BRI, has served as a barrier against the Caesar Act, which consists of American-imposed sanctions on Syria.

China invested USD 10.5 billion in energy and BRI projects, which have assisted the country in recovering from the devastation wrought by deadly war, fostering a path toward growth and reconstruction. Furthermore, the deteriorating Türkiye-Europe relations and those with the US have provided Türkiye with the leverage to adopt an "Eastward orientation."<sup>60</sup>

Persistent civil wars, overt foreign interventions, proxy conflicts, and other regional disputes have plagued the Middle East, resulting in widespread destruction, heightened vulnerability,

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60. "China's Changing Role in the Middle East."



instability, and economic impoverishment. The region has become increasingly reliant on the US for security and defense. However, China's escalating investments, infrastructure projects, and diplomatic initiatives offer myriad opportunities to the Middle East. These opportunities include diversifying regional interests and ambitions, reducing dependence on the US, expanding market reach, encouraging economic development, and establishing peace and stability in the region. With substantial Chinese investments amounting to billions of dollars across various economic sectors in the region, Middle Eastern economies are experiencing rapid development, particularly in the GCC countries, thus attracting significant foreign direct investment (FDI) and tourists from around the world.

### **Conclusion**

For decades, the United States has been the dominant power in the Middle East, often framing the region as a challenge it had to address. In recent years, China has increased its diplomatic and economic engagements, bringing states and societies across Asia, Europe, and Africa together, primarily through its Belt and Road Initiative. China is now a valuable partner for Middle Eastern countries by expanding infrastructural and technological investments. China is also safeguarding its energy interests, investments, and projects' expansion. The Middle Eastern countries are keen to strengthen their ties with China, primarily to diversify trade relations and economic development and reduce their dependence on only one state, i.e., the US. In terms of security, however, these states cannot substitute the US with China due to the region's extensive US-led security and military engagements. If China is not actively seeking to supplant the US hold, as evaluated by some experts, both these powers can ensure regional peace and stability. It is in the best interest of regional states to navigate the middle ground between the US and China to keep the power balance and stabilized development intact.