



Analytical Perspective:
China's Strategy in the
Middle East

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Introduction

The year 2016 witnessed a key event in the relations between China and the Middle East through a series of political moves by China, the most important of which was Chinese President, Xi Jinping's first trip to Middle East countries, including Saudi Arabia, Iran, Egypt, and United Arab Emirates; these visits are significant as they come following the great growth of Chinese economic engagement in the Middle East region. It also conveys a clear message to the region's countries expressing the importance of the Middle East to China.

Beijing also issued the first Arab policy paper on January 13, 2016, titled "China's Arab Policy Paper"; which addresses China's vision of the region, and discusses establishing a "1 + 2 + 3" cooperation pattern, in which 1 represents energy as a basic interest, number 2 refers to

infrastructure, trade, and investment, while 3 denotes cooperation in the fields of nuclear energy, space satellites, and new energy; this leads us to question the reasons behind China's increasing interest in the Middle East?

Previous studies on China's strategy in the Middle East are indeed few, as analyses focused on China's Belt and Silk Road initiative, however, these studies overlooked China's relations with the Middle East countries on one hand and its role in the complexities of the region on the other.

Accordingly, this analytical perspective seeks to introduce key elements of China's strategy in the Middle East, particularly the means and mechanisms of China's engagement and partnerships in the region.

Chinese Partnership Strategy

China's policy towards the Middle East is defined in a complex regional context that involves many rivalries between the region's countries on one side, and between superpowers on the other. Hence, China's strategy is concerned with maintaining a delicate balance between many priorities that may conflict with each other at times.

In this regard, China disengages from regional disputes or conflicts. For instance, China is keen on avoiding bias towards any party in the Iran-Saudi confrontation; as the first visit of the Chinese President, Xi Jinping, to the Middle East included the KSA and Iran, during which he raised the level of Chinese relations with the two countries to become a "comprehensive strategic partnership". The same is true in the way China deals with Arab differences, as it prefers to interact with the Arab League as its main refuge for dialogue.

The partnership strategy pursued by China in the Middle East can be understood through two main axes mentioned by Chinese professor and researcher, Degang Sun, in a study titled "China's partnership diplomacy in the Middle East":

The first axis

focuses on cooperation with Arab organizations in the region, such as the Gulf Cooperation Council, the Arab League, and the Arab Maghreb Union.

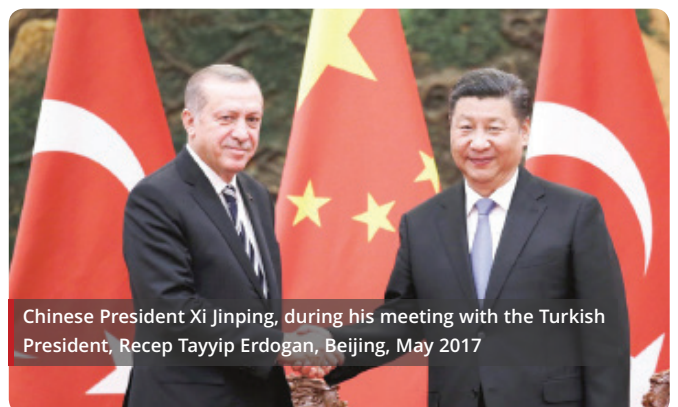
The second axis

addresses the form of Chinese bilateral relations with the countries of the region, where China maintains comprehensive strategic relations with

each of Algeria, Egypt, Saudi Arabia, Iran, and the UAE, and maintains strategic cooperation with Turkey, a comprehensive partnership with Israel, and strategic relations with each of Qatar, Jordan, Iraq, Morocco, Oman, Kuwait, Djibouti, and Sudan.

It is clear from the above that China's strategy is based on building individual relations without a regional strategic vision, as China seeks to build strategic partnerships while significantly reducing security obligations or political stances to maintain its regional interests, and also attempts to maintain distinguished bilateral relations with different countries "driven by goals rather than by threats"; according to the researcher, Georg Stuver, in a study published in the Chinese Journal of International Policy in 2017 entitled "China's Partnership Diplomacy: International Alignment Based on Interests or Ideology". These relations are based on China's agreement with various parties to cooperate within the limits of common interests while managing potential areas of competition.

In his study "China's Middle East Model" published by the Center for Strategic and International Studies (CSIS) in 2019, researcher Jon B. Alterman suggests that China's strategy in the Middle East is not a single regional strategy but rather an investment portfolio, through which China's national ambitions can focus on building economic relations with each country.



Chinese President Xi Jinping, during his meeting with the Turkish President, Recep Tayyip Erdogan, Beijing, May 2017

Development, Not Politics

The centrality of Chinese cooperation with the Middle East countries manifests in the government document, "China's Arab Policy Paper" issued in 2016, which underlines China's commitment to developing its relations with Arab countries based on the Five Principles of Peaceful Coexistence: mutual respect for sovereignty and territorial integrity, mutual non-aggression, mutual non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

Based on the foregoing, China is keen on protecting its economic interests in the Middle East apart from regional differences, and for this "it avoids declaring any Middle East strategy", according to a study released by the RAND Corporation entitled "China in the Middle East: The Wary Dragon". As such, China emphasizes its economic considerations and addresses concerns at the local level for both China and the countries of the Middle East region.

China's principles in the region can be summarized as follows:

- 1** Non-interference is one of the overarching principles of China's foreign policy, as it avoids being seen as interfering in the internal affairs of Middle Eastern countries or taking a clear stance on some controversial regional issues.
- 2** China supports the stability of political structures in the region, which is a lesson China learned after its economic interests in Libya were put at risk; by allowing the UN Security Council Resolution (1970) to pass, China allowed for Western intervention that ended with changing the former Libyan president's regime, Muammar Gaddafi

- 3** China is not concerned with the nature of the ruling political systems in the region or promoting its own ideology abroad; China shares the view of many countries in the region that democracy and liberalism are Western tools

Finally, what matters to China in the region is to ensure the greatest degree of security stability, as a major requirement for economic development, so that it can launch programs of roads, railways, ports, communication systems, and free commercial cities in a stable security environment. China has provided economic assistance valued at \$300m to develop the capabilities of countries in the region to ensure stability, according to the Arab-Chinese Executive Declaration for the Belt and Road Initiative in 2018.

The Centrality of Economic and Development Cooperation

The Chinese economy has reached its largest growth in foreseeable history during the past 25 years and continued to achieve general growth on an annual basis. Thus, China views the Middle East as a new market to support its economic growth and a source to secure its energy needs. Economic and development cooperation for China's participation in the Middle East can be read in three official Chinese documents:

First:

The aforementioned 2016 "China's Arab Policy Paper".

Second:

The 2015 Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road.

Third:

The 2018 Arab-Chinese Executive Declaration for the Belt and Road Initiative.

The cooperation framework outlined in these documents highlights areas of energy, infrastructure building, trade, and investment in the Middle East region:

1 Trade:

Trade relations between China and the countries of the Middle East have grown steadily over the past decade, creating a source of concern for industrial countries. This growth is due to the fact that China is a desirable partner for the abundance of its goods and cheap prices.

According to the book, "Foreign Policies of Major Asian Powers Towards the Arab Region" by Dr. Adnan Al-Badrani, the volume of Chinese trade exchange exceeded for the first time since 2007 the volume of U.S. trade exchange with the countries in the region.



Opening ceremony of the fourth China-Arab States Expo, Yinchuan, China, 2019

Both tables (1) and (2) show the volume of Chinese imports and exports to/from selected countries in the Middle East compared to the volume of U.S. imports and exports of the same countries for the year 2018; according to data by China Med project and that of USTR office that regulates trade policy in the U.S.:

Table (1): Volume of Chinese imports compared to volume of U.S. imports from selected countries in the region

Country	Chinese imports (USD billion)	U.S. imports (USD billion)
Saudi Arabia	45.8	24.1
Egypt	1.8	2.5
Turkey	3.7	10.3
Israel	4.6	21.8
UAE	16.2	5.0

China is also the top destination for exports to several countries in the region, as evident in the table below:

Table (2): Volume of Chinese exports compared to volume of U.S. exports from selected countries in the region

Country	Chinese exports (USD billion)	U.S. exports (USD billion)
Saudi Arabia	17.6	13.6
Egypt	12	5.1
Turkey	17.8	10.2
Israel	9.3	13.7
UAE	29.9	19.5

2 Chinese Investments in the Middle East:

Through a series of projects and investments in the Middle East, China has strengthened its economic presence and made it a key part of the Middle East's economies. According to a 2020 report by "American Enterprise" that touched on Chinese investment for 2019, China has managed to increase the size of its investments in the MENA in the period of (2005 - 2019) to \$200b. China participates in many infrastructure projects throughout the region, and according to estimates by the geopolitical analysis platform, PACS MENA, nearly 3 quarters of the total Chinese investment in the Middle East is distributed across three major countries; Egypt, KSA, and the UAE.

3 Vision Behind Belt & Road Initiative:

In 2013, Chinese President Xi Jinping announced plans to build the Belt and Economic Road and Maritime Silk of the 21st Century, which became known as the "Belt and Road Initiative", which focused on establishing trade routes linking Asia, Europe, and Africa.

Accordingly, the Middle East is of vital significance to China, since it links Europe, Africa, and Asian markets; the "Belt" refers to several land projects linking China to Europe via Central Asia and the Middle East, while the "Road" refers to projects linked to maritime roads so that these roads connect China with Africa and the Middle East through Southeast Asia and South Asia.

Chinese investment in the Middle East has increased after Chinese President Xi Jinping announced the launch of the "Belt and Road" initiative in 2013,

and based on the "Arab-Chinese Executive Declaration for the Belt and Road Initiative" issued in Beijing in 2018, nine Arab countries have signed cooperation documents within the framework of the "Belt and Road" initiative, in addition to the signing of 5 Arab countries for cooperation in the areas of production capacity. Moreover, seven Arab countries have become among the founding members of The Asian Infrastructure Investment Bank (AIIB). According to NS Energy Business, China's participation in infrastructure development in the Middle East and North Africa regions has doubled, since the total annual spending on projects involving Chinese contractors increased from \$13b in 2014 to \$24b in 2018.



Port of Yingkou in Liaoning Province, northeast China, is witnessing an increase in freight volume thanks to the "Belt and Road" initiative, October 2016

4 Economic Aid:

Apart from trade and investment; China has started providing humanitarian and development aid to the MENA countries; the European Council of Foreign Relations (ECFR) states that China has provided \$100m to the United Nations peacekeeping mission in Somalia since 2015.

In 2018, Chinese President Xi Jinping pledged about \$106m in aid to Middle Eastern countries, including \$91m in humanitarian and construction aid for Jordan, Lebanon, Syria and Yemen, and \$15m to Palestine in support of economic development, according to Reuters estimates.

The Chinese President, Xi Jinping, also pledged to provide loans worth \$20b to some Arab countries in the form of facilities to achieve economic development, in addition to cooperation in the fields of nuclear energy, oil, and gas.

Finally, China will also establish partnerships between Chinese and Arab banks, with assigned funding of about \$3b. In January 2019, China began to lend Egypt \$1.2b for building a 68-km long electric train that reaches the new administrative capital, according to the Global Construction Review.

5 Energy

China's rapid economic growth has greatly expanded its energy needs, after transitioning from a country that is self-satisfied with its production capabilities from energy sources to a country importing these sources in 1993.

In 2017, China officially became the world's largest importer of crude oil, given its total oil revenue exceeded that of the U.S., according to the U.S. Energy Information Administration.

Given the Middle East's abundant energy resources, one of China's major interests in the region lies in its continued access to a steady flow of energy resources.

According to available data for 2017, which was mentioned in the report of the Economic and Social Commission for Western Asia (ESCWA) in 2019, China imported about 8.4 million barrels of oil per day, including 3.9 million from the GCC.

In 2018, the volume of Arab oil exports to China amounted to about \$107.7b, with 3 Arab countries among the top five countries from which China imported its oil needs in the same year: Saudi Arabia (in second place with a value of \$29.7b), Iraq (in fourth place with a value of \$22.4b), and the Sultanate of Oman (in fifth place with \$17.3b), in addition to Iran.

Future Vision: Security and Development Balance Dilemma in the Region

The foregoing reflects China's emphasis on development and mutual relations while distancing itself from regional disputes and conflicts. Thus, China's economic participation in the Middle East has significantly grown over the past decade, becoming a major partner for several Middle Eastern countries in the fields of trade and investment.

From the Chinese perspective, its desired development in the Middle East is one of the solutions to ensure a prosperous region with stable security. This may be correct in theory, but the practice of seeing China in a region like the Middle East is more complicated.

Therefore, the increase in Chinese and security diplomatic activity in the region has become perceptible, despite China's concern about this being at the expense of lives and funds, and at the expense of its reputation as a friendly country that respects the internal affairs of the region's countries, and one that does not interfere in conflicts and disputes in the region.

This engagement is accompanied by Chinese aspirations in the region, considering its economic participation with some countries of the region and its growing interests in it, in addition to its "Belt and Road" vision as well as the need to ensure the safety of the Chinese residents in the Middle East, estimated at 550 thousand Chinese citizens, according to "The Red Star and the Crescent" study by Georgetown University in Qatar. All this comes at a time when China is less dependent on the security structure led by the U.S., considering the U.S. strategic shift towards East Asia. These factors will lead to an expansion in Chinese participation in security and politics in the Middle East.

The track of China's political and security interventions in the region can be traced. As per ECFR, China entered into partnership agreements with 15 countries in the Middle East, to participate in missions to combat piracy and maritime security in the Arabian Sea and the Gulf of Aden.

In February 2016, China established its first logistics support facility for the Chinese Liberation Army abroad in the country of Djibouti, a military base equipped to accommodate nearly 10,000 soldiers, as mentioned on the Arab Policy Forum website. China plans to establish additional military bases in the Middle East region soon, per the annual congressional report on Chinese military strength for 2019.

China plays a growing role in peacekeeping operations in the region. There were 1,031 Chinese soldiers in South Sudan in 2019, in addition to 410 soldiers in Lebanon, according to data by the United Nations peacekeeping operations.

The 2017 "China's Foreign Policy Experiment in South Sudan" report described the Chinese role in South Sudan as a major change in China's approach to non-intervention in the region, by obtaining a United Nations mandate to mediate and protect civilians, and with approval from the African Union and neighboring countries.

As a result, China will find itself compelled to play a security role in the Middle East to maintain its trade security and investments. Once this happens, China will face a problem that contradicts the basic pillar in its foreign policy declared in the 2016 "China's Arab Policy Paper", represented by non-interference in the internal affairs of other countries, the principle of peaceful coexistence, and the other principles mentioned in the document.



The Chinese base in Djibouti

Conclusion

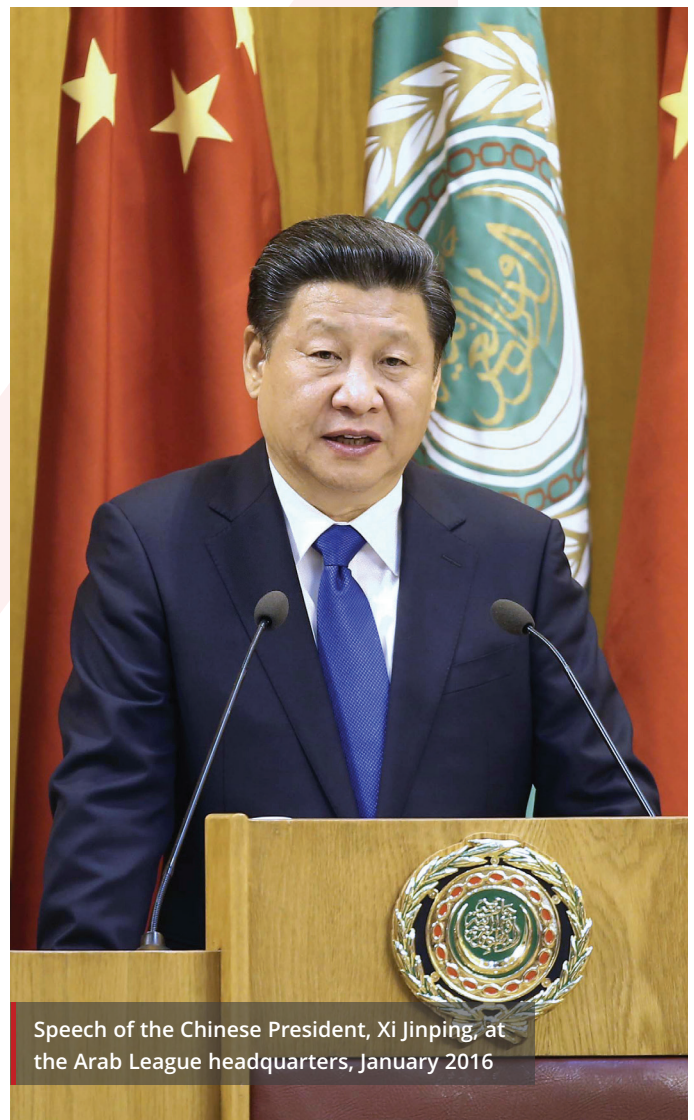
From the foregoing, it is clear that China is increasing its ambitions in the Middle East, and is seeking a greater role in a region that has strategic influence. It also seems that China's vision appears to be explicitly defined and in line with its bilateral relations in the region, especially in the framework of economic cooperation priorities.

The Chinese approach is also essential in the context of China's understanding of the Middle East region and is consistent with its behavior of self-distancing from interfering in disputes in the critical and volatile region, and maintaining balanced relations with all opposing parties, without alienating any of the major regional players or threatening their gains.

In many respects, China's interest in the Middle East is exemplified in the purely economic sphere, as the "Belt and Road" initiative plays a major role in China's foreign policy in the region as well as its reliance on energy resources from the Middle East as the world's most populous country with the largest economy in the world, given China's huge energy requirements.

Lastly, the future suggests major transformations in China's policies in the region, which comes with the increasing security vacuum left by the U.S. withdrawal from the region.

These policies are manifested in China's increased focus on its vital surroundings, which means that China will need to secure its trade and investment in the Middle East itself. It also suggests that China must increase its security, military, and diplomatic participation in the region's complexities and conflicts, in line with its endeavor to preserve the integrity of its vital interests.



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