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CHINA'S CHANGING ROLE IN THE MIDDLE EAST

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Cover: Flags of Saudi Arabia and China are hanged in front of Tiananmen Gate before Saudi Crown Prince Mohammed bin Salman's visit in Beijing, China February 21, 2019. REUTERS/Jason Lee.

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OVERVIEW

A quiet shift in geopolitics has been taking place, with East Asia and the Middle East drawing closer together. Energy trade explains part of this, as Japan, South Korea, and China are consistently among the largest export markets for Middle Eastern oil and gas. As the global economic center of gravity moves east, economic relations between the two regions are becoming increasingly deep and multifaceted.

In the case of China, the relationships have moved beyond economic interests, to incorporate strategic concerns as well. The Belt and Road Initiative (BRI), called “the most significant and far-reaching initiative that China has ever put forward” is dramatically expanding Chinese interests and influence in the Middle East and North Africa (MENA) region.¹ Described in a 2016 report

as a “wary dragon” in MENA, the extent of Chinese influence in the region is still at an early stage, but China is becoming an increasingly relevant regional actor.²

This report begins with an analysis of China's presence in MENA, with a brief discussion of the BRI, followed by a deeper look at how this initiative is shaping China's relations with states across the region. It then examines the response of Middle Eastern states, many of which need to develop a more diversified set of relationships with extraregional powers, especially given the perception that leaders in the United States want to reduce the US regional footprint. It ends with an analysis of how US-China competition plays out in the region: are their interests compatible, creating opportunities for cooperation, or do they diverge to the point that competition is the most likely outcome?

1 Michael Swain, “Chinese Views and Commentary on the ‘One Belt, One Road’ Initiative,” *China Leadership Monitor* 47, 2 (2015), 3.

2 Andrew Scobell and Alireza Nader, *China in the Middle East: The Wary Dragon* (Santa Monica, Calif: RAND Corporation, 2016).

PART I: CHINA'S MENA PRESENCE

The Belt and Road Initiative: A Catalyst for Strengthening Chinese Relations with MENA

The announcement of the BRI in 2013 confirmed the strategic importance of MENA in China's international political ambitions. Consisting of an overland route across Eurasia—the Silk Road Economic Belt (SREB)—and the Maritime Silk Road Initiative (MSRI) across the Indian Ocean region, the BRI is a series of hard and soft infrastructure projects designed to link markets from the East China Sea to the Mediterranean.³ While Chinese leaders emphasize that this is a politically neutral initiative, open to any and all, it places China at the center of Eurasia and the Indian Ocean region—which, combined, account for more than half of the world's population and one quarter of global gross domestic product (GDP).⁴ This centrality makes China a major strategic actor across political, diplomatic, economic, and security issues.

The architecture of the BRI has emerged in stages, and has gotten progressively more ambitious. In 2015, the Chinese ministries of Foreign Affairs and Commerce and the National Reform and Development Commission released a BRI policy paper, *Visions and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road* (hereafter *Visions and Actions*) outlining the objectives of the initiative, as well as the five cooperation priorities that the Chinese government and its state-owned enterprises would focus on with participating states: political coordination, facilities connectivity, unimpeded trade, financial integration, and people-to-people bonds.⁵ Also in 2015, China hosted an Asia-Europe Meeting in Chongqing, where the economic-corridor framework of the BRI was announced, with six corridors originating in China and

spreading across Eurasia and the Indian Ocean region.⁶ One of these, the China-Central West Asia Economic Corridor (CCWAEC), directly features the MENA as an endpoint, passing through Central Asia before forking to Iran and Turkey. This is the only economic corridor to pass through MENA, although the BRI has since come to encompass more than these original six corridors.

By 2017, the inaugural Belt and Road Forum was held in Beijing, with delegations from more than one hundred and thirty countries in attendance, including twenty-nine heads of state, proving that the initiative had gained considerable traction internationally.⁷ On the domestic front, the BRI was formally written into the Chinese Communist Party's (CCP) constitution, linking China's long-term foreign policy agenda to the success of the BRI.⁸ That it is also linked to the leadership of Chinese President Xi Jinping further enhances the importance of the BRI to the CCP; with Xi having done away with the two-term norm for presidential administrations, he will continue to use his substantial powers within the CCP to devote political, economic, and diplomatic resources to the BRI.

China's Focus on Development, Not Politics, in MENA

In terms of how this plays out in MENA, Chinese government officials and executives of state-owned enterprises have been aggressively courting nearly every state in the region, touting win-win development opportunities among friends and rivals alike. China does not carry the same political baggage as the United States or former colonial powers; thus, it is somewhat of a blank slate. Therefore, China has developed ties with the Israelis and Palestinians, the Saudis and

3 Thus far, the best description and analysis of the BRI in English is Nadège Rolland, *China's Eurasian Century? Political and Strategic Implications of the Belt and Road Initiative* (Seattle: The National Bureau of Asian Research, 2017). A good primer on the BRI in MENA is Anoushiravan Ehteshami and Niv Horesh, eds., *China's Presence in the Middle East: The Implications of the One Belt, One Road Initiative* (London: Routledge, 2018). It also features in the analysis in James Reardon-Anderson, ed., *The Red Star & The Crescent: China and the Middle East* (London: Hurst & Company, 2018).

4 Lily Kuo and Niko Kommeda, "What is China's Belt and Road Initiative?" *Guardian*, July 30, 2018, <https://www.theguardian.com/cities/ng-interactive/2018/jul/30/what-china-belt-road-initiative-silk-road-explainer>.

5 "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road," National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China, with State Council Authorization, March 2015, http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html.

6 He Yini, "China to Invest \$900b in Belt and Road Initiative," *China Daily*, May 28, 2015, https://usa.chinadaily.com.cn/business/2015-05/28/content_20845687.htm.

7 "Joint Communiqué of the Leaders Roundtable of the Belt and Road Forum for International Cooperation," Ministry of Foreign Affairs of the People's Republic of China, May 16, 2017, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1462012.shtml.

8 Brenda Goh and John Ruwitch, "Pressure on as Xi's 'Belt and Road' Enshrined in Chinese Party Charter," Reuters, October 24, 2017, <https://www.reuters.com/article/us-china-congress-silkroad/pressure-on-as-xis-belt-and-road-enshrined-in-chinese-party-charter-idUSKBNICT11W>.

Table 1: Hierarchy of Chinese Partnerships

Partnership	Priorities
Comprehensive Strategic Partnership	Full pursuit of cooperation and development on regional and international affairs
Strategic Partnership	Coordinate more closely on regional and international affairs, including military
Comprehensive Cooperative Partnership	Maintain sound momentum of high-level exchanges, enhanced contacts at various levels, and increased mutual understanding on issues of common interest
Cooperative Partnership	Develop cooperation on bilateral issues, based on mutual respect and benefit
Friendly Cooperative Partnership	Strengthen cooperation on bilateral issues, such as trade

Source: “Quick Guide to China’s Diplomatic Levels,” *South China Morning Post*, January 20, 2016.

Iranians, and the Emiratis and Qataris. Beijing’s apolitical, development-focused logic is important; despite the inherently strategic nature of international infrastructure construction, Chinese leaders insist that the BRI is an inclusive initiative, and push back against attempts to exclude certain states.⁹ This framing of the BRI allows China to expand its presence in an intensely competitive environment without getting bogged down in political and security interests.

Hierarchy of China’s MENA Partnerships

A diplomatic tool China has adopted that facilitates this “fence-sitting” is the use of partnership diplomacy, rather than alliances.¹⁰ In an alliance, the stronger side fears entrapment or getting entangled in the weaker side’s conflicts, while the weaker side fears abandonment.¹¹ Strategic partnerships remove these fears by reducing the commitments. Both sides agree to cooperate on areas of shared interests while managing areas of potential competition. By working on common interests, they are goal-driven rather than threat-driven, and

offer paths toward improved relations regarding other issues.¹² China’s use of strategic partnerships has a hierarchical range of relations, from a “friendly cooperative partnership” at the bottom rung to a “comprehensive strategic partnership” at the top (see Table 1). Each level has different priorities, but little in the way of formal commitment; the highest level is a pledge for “full pursuit of cooperation and development,” but does not lock either side into potentially costly political or security arrangements.

In its relations with MENA states, China has been steadily developing several partnership agreements (see Table 2). Tellingly, these partnerships have not inserted China into any regional competitions. For example, in January 2016, Xi made his first visit to the Middle East as president, stopping initially in Saudi Arabia, where the two countries signed a comprehensive strategic partnership.¹³ He then flew directly to Tehran and elevated Iran to the same level.¹⁴ As of 2019, China has signed comprehensive strategic partnerships with five MENA states and strategic partnerships with eight

9 Xie Tao, “Is China’s ‘Belt and Road’ a Strategy?” *Diplomat*, December 16, 2015, <http://thediplomat.com/2015/12/is-chinas-belt-and-road-a-strategy/>.

10 Jonathan Fulton, “Friends with Benefits: China’s Partnership Diplomacy in the Gulf,” *Project on Middle East Political Science Studies* 32, 2019.

11 Glen Snyder, “The Security Dilemma in Alliance Politics,” *World Politics* 36, 4 (1984).

12 Georg Strüver, “China’s Partnership Diplomacy: International Alignment Based on Interests or Ideology,” *Chinese Journal of International Politics* 10, 1 (2017), 32–37.

13 “KSA, China Agree on Strategic Partnership,” *Arab News*, January 21, 2016, <http://www.arabnews.com/saudi-arabia/news/868276>.

14 “China, Iran Lift Bilateral Ties to Comprehensive Strategic Partnership,” *Xinhua*, January 23, 2016, http://www.chinadaily.com.cn/world/2016xivisitmiddleeast/2016-01/23/content_23215522.htm.

Table 2: China's MENA Partnerships

State	Level	Year Signed
Algeria	Comprehensive Strategic Partnership	2014
Djibouti	Strategic Partnership	2017
Egypt	Comprehensive Strategic Partnership	2014
Iran	Comprehensive Strategic Partnership	2016
Iraq	Strategic Partnership	2015
Jordan	Strategic Partnership	2015
Kuwait	Strategic Partnership	2018
Morocco	Strategic Partnership	2016
Oman	Strategic Partnership	2018
Qatar	Strategic Partnership	2014
Saudi Arabia	Comprehensive Strategic Partnership	2016
Turkey	Strategic Partnership	2010
United Arab Emirates	Comprehensive Strategic Partnership	2018

others. That Saudi Arabia, the United Arab Emirates (UAE), Iran, Egypt, and Algeria are the only MENA states with comprehensive strategic partnerships indicates that Beijing perceives them as the most important regional states, and also demonstrates that China's Middle East policy is more heavily weighted toward the Gulf region. This is also evident in the fact that every Gulf Cooperation Council (GCC) state, except Bahrain, has signed a partnership with China.

It is noteworthy that all MENA partners signed their partnerships agreements in the past decade, with the exception of Egypt, which signed one with China in 1999. Egypt and the UAE, which signed a strategic-partnership agreement with China in 2012, are also outliers in that all other MENA partnership agreements started at their current level. Typically, Chinese partnerships progressed up the hierarchy, with state visits offering opportunities to upgrade existing relationships.¹⁵

In the Middle East, a burst of high-level diplomatic activity since 2013 has corresponded with deeper BRI engagement throughout the region. Those states that do not yet have partnership agreements with China can be expected to sign mid-level partnerships during state visits or multilateral forums like the Belt and Road Forum, China-GCC Strategic Dialogue, or China-Arab States Cooperation Forum.

These partnerships show which states China is using as the foundation for its MENA policy. The highest level is not easily attained. The bilateral relationship needs to include high levels of political trust and multifaceted economic ties, and, to be considered at this level, a state needs to be perceived as playing "an important role in international economics and politics."¹⁶ For example, when President Xi visited the UAE in 2018, the China-Emirati relationship was elevated to a comprehensive strategic partnership, building upon the strategic

¹⁵ Feng Zhongping and Huang Jing, "China's Strategic Partnership Diplomacy: Engaging with a Changing World," *European Strategic Partnership Observatory*, working paper 8 (2014), 9.

¹⁶ Strüver, "China's Partnership Diplomacy," 45.

partnership established in 2012. The joint communique praised “the constructive role being played by the UAE in regional affairs.”¹⁷ This indicates that Beijing shares the UAE’s vision of MENA order, and this recognition offers Chinese support for the UAE’s regional policy.

On the other hand, when Emir Tamim Al Thani of Qatar visited Beijing in January 2019, the relationship was not upgraded, with the two sides agreeing to instead deepen cooperation through the existing strategic partnership signed in 2014.¹⁸ While it is not explicit, it appears that Beijing has quietly chosen to support Abu Dhabi over Doha in the ongoing Gulf crisis. This is not surprising; deeper ties with the Anti-Terror Quartet (UAE, Saudi Arabia, Bahrain, and Egypt) offer more to Beijing than Qatar can. At the same time, Qatari liquefied-natural-gas (LNG) exports to China account for 28 percent of China’s domestically consumed LNG, making continued good relations with Qatar important for China’s energy security.¹⁹ Caught between the two sides, China has tipped the scales toward the UAE, but, at the same time, has worked to maintain a positive relationship with Qatar.

Chinese Multilateralism in MENA

Beyond the partnerships, there have been policy documents outlining the shape of China-MENA cooperation in the BRI era. The first, mentioned above, was the *Vision and Actions* paper, which offered a brief glimpse of how the Middle East fits into the initiative. It refers to two multilateral initiatives that can contribute to BRI cooperation—the China Arab States Cooperation Forum (CASCF) and the China-GCC Strategic Dialogue. *Vision and Actions*’ emphasis on cooperation priorities indicates that the means by which China has already been developing bilateral relationships across MENA will dovetail with the BRI. The *China Arab Policy Paper*, released in 2016 to coincide with President Xi’s trip to the Middle East, is a more specific document, stating:

China is willing to coordinate development strategies with Arab states, put into play

each other’s advantages and potentials, promote international production capacity cooperation and enhance cooperation in the fields of infrastructure construction, trade and investment facilitation, nuclear power, space satellite, new energy, agriculture and finance, so as to achieve common progress and development and benefit our two peoples.²⁰

In the subsection on BRI cooperation, the Arab Policy Paper introduced the “1+2+3” cooperation pattern, under which China and Arab countries “upgrade pragmatic cooperation by taking energy cooperation as the core, infrastructure construction and trade and investment facilitation as the two wings, and high and new technologies in the fields of nuclear energy, space satellite and new energy as the three breakthroughs.”²¹ Since the release of this policy paper, the shape of Sino-GCC relations has taken a much more specific form, following this 1+2+3 pattern, with energy technology an especially important component of relations.

The China-GCC Strategic Dialogue began in Beijing in 2010, and there have been two other rounds since then, with one in Abu Dhabi in 2011 and another in Beijing in 2014. While this dialogue has produced little in the way of tangible outcomes, its relevance is in setting the path for short-term cooperation, with economic cooperation at the forefront. It is the multilateral mechanism that China and the GCC have used to revive negotiations for the long-anticipated China-GCC free-trade agreement (FTA). Negotiations began in 2004, but had stalled by 2009.²² The introduction of the Strategic Dialogue has revived talks, gaining momentum in early 2016 when President Xi announced a preference that negotiations conclude quickly.²³ A series of negotiations was held throughout 2016 in Saudi Arabia and China, although the deal has yet to be concluded.

The CASCF was established during a 2004 state visit to Egypt by President Hu Jintao, during which he met with Arab League Secretary-General Amr Moussa. The

17 “UAE, China Issue Statement on Strategic Partnership,” *Gulf Today*, July 21, 2018, <http://gulftoday.ae/portal/fe7e22af-6fcf-4caf-ac37-134985a5f88f.aspx>.

18 “China, Qatar Agree to Deepen Strategic Partnership,” Xinhua, February 1, 2019, http://www.china.org.cn/world/2019-02/01/content_74431225.htm.

19 China to Become Top Gas Importer in 2019 Boosted by LNG—IEA,” Reuters, June 26, 2018, <https://www.reuters.com/article/gas-iea/china-to-become-top-gas-importer-in-2019-boosted-by-lng-iea-idUSL1N1TR114>.

20 “Full Text of China’s Arab Policy Paper,” Xinhua, January 14, 2016, http://www.china.org.cn/world/2016-01/14/content_37573547.htm.

21 Ibid.

22 Qian Xuming and Jonathan Fulton, “China-Gulf Economic Relationship Under the ‘Belt and Road’ Initiative,” *Asian Journal of Middle Eastern and Islamic Studies* 11, 3 (2017), 16-17.

23 “GCC and China Decide to Speed Up Free Trade Talks,” *Saudi Gazette*, January 18, 2017, <http://saudigazette.com.sa/article/147021/?page=1>.



Egypt's President Abdel Fattah al-Sisi, left, shakes hands with Chinese President Xi Jinping during the Forum on China-Africa Cooperation held at the Great Hall of the People in Beijing, September 3, 2018. Andy Wong/POOL Via REUTERS

CASCF was created as a multilateral platform for China and the states of the twenty-two-member Arab League to exchange views and promote cooperation in politics, trade, culture, technology, and international affairs.²⁴ A ministerial meeting is held every other year, attended by the foreign ministers of all CASCF member states. At these meetings, common goals for the next two years are established; during the 2016 ministerial meeting, BRI cooperation and the 1+2+3 cooperation pattern were the focus.²⁵

The CASCF gained greater international notice in the summer of 2018, when its ministerial meeting was held

in Beijing, as it signaled a Chinese commitment to MENA stability through development, as well as a model for MENA connectivity in the BRI. In terms of development, China pledged more than \$23 billion in loans, aid, and investments: \$20 billion in loans for states with reconstruction needs, \$3 billion in special loans for the region's financial sector, nearly \$150 million to support social stability, and \$90 million in humanitarian and reconstruction aid for Yemen, Syria, Jordan, and Lebanon.²⁶ This focus on development as a path to stability is a common theme when Chinese leaders discuss MENA security. China's ambassador to the CASCF, Li Chengwen, has said, "The root problems in the Middle East lie in

24 "Backgrounder: China-Arab States Cooperation Forum," Xinhua, May 12, 2016, http://news.xinhuanet.com/english/2016-05/12/c_135354230.htm.

25 "The 7th Ministerial Meeting of the China-Arab States Cooperation Forum Concludes in Doha," Ministry of Foreign Affairs of the People's Republic of China, May 12, 2016, http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1363599.shtml.

26 Laura Zhou, "China Pledges US\$23 Billion in Loans and Aid to Arab States as it Boosts Ties in Middle East," *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>.

development and the only solution is also in development.”²⁷ Foreign Minister Wang Yi made a similar point in 2014, saying, “We believe development holds the key and serves as the foundation for solving all problems... As far as Arab countries are concerned, the most crucial task facing them is national development and economic revitalization.”²⁸

Beyond this commitment to development, another initiative announced during the 2018 CASCF is the “industrial park-port interconnection, two-wheel and two-wing approach.” This inelegantly named plan is a key pillar in how the connectivity elements of the BRI will play out in MENA, signaling which states China plans to work with most closely. In this configuration, the two wheels are energy cooperation (conventional oil and gas, and low-carbon energy), and the two wings are cooperation in technology (artificial intelligence, mobile communications, satellite navigation) and investment and finance.²⁹ This appears to build upon the 1+2+3 cooperation approach.

The “industrial park-port interconnection,” however, is something new—or at least a new way of looking at something China has already been doing in the region—and again underscores Beijing’s view of MENA connectivity. In this plan, regional industrial parks being developed by Chinese consortiums will link up with ports where China has also developed a strong presence, building business clusters and linking supply chains across MENA. Here the Arabian Peninsula plays the central role. The industrial parks are Khalifa Port Free Trade Zone (KPFTZ) in Abu Dhabi, UAE; Oman’s Duqm Special Economic Zone Authority (SEZAD); the Jazan City for Primary and Downstream Industries (JCPDI) in Saudi Arabia; and the TEDA-Suez zone in Ain Sokhna, Egypt. The ports are Khalifa Industrial Zone Abu Dhabi (KIZAD); SEZAD in Oman; the People’s Liberation Army Support Base in Djibouti; and Port Said in Egypt. Taken together, these offer China a chain of strategically situated hubs in the Persian Gulf, Arabian Sea, Red Sea, and Mediterranean Sea, and offer a possible glimpse of how the BRI may evolve

into a deeper level of intraregional integration among participating states.

China's Relations with Non-Arab MENA States

China is also deepening ties with non-Arab MENA states as they pursue BRI projects. Israel, Turkey, and Iran all feature in the BRI, although each presents complications for China. In Israel’s case, it is a stable, highly developed state in a volatile region, contributing to a perception that it is a safe destination for Chinese investment. It also enjoys geostrategic importance, providing another access point to the Mediterranean Sea, making it a potentially useful transportation and logistics hub. With relatively strong economic relations, Israeli-Chinese cooperation in the BRI makes sense. The “Red-Med railway,” connecting Eilat on the Red Sea to Ashdod on the Mediterranean, would provide an alternative access route, lessening China’s dependence on Suez and providing strategic depth.³⁰ In 2015, China’s Shanghai International Port Group won a twenty-five-year contract to operate Haifa port, which also supports the BRI. At the same time, Israel’s troubled relations with many of its neighbors complicate the relationship for China. At its core, the BRI is about international connectivity, and Israel is limited in this regard. This underscores another consideration for China: deeper ties to Israel run the risk of alienating other important MENA partners.

Turkey also presents opportunities, as well as complications. It is featured as an endpoint in the CCWAEC, providing an overland route to the Aegean Sea and COSCO’s Piraeus Port in Greece. Trade between China and Turkey has grown impressively in recent years, from around \$10 billion in 2006 to just over \$26 billion in 2017, and \$15 billion in Chinese foreign direct investment (FDI) into Turkey between 2005 and 2018.³¹ Despite this, Beijing is wary about Turkey. In early 2019, Turkey became the first Muslim-majority state to publicly criticize China for its mass internment of Uighurs in Xinjiang, with a Foreign Ministry spokesperson describing it as “a great

27 “Development Key to Solving Middle East Problems: Chinese Diplomat,” Xinhua, August 25, 2016, www.xinhuanet.com/english/2016-08/25/c_135630804.htm.

28 “Wang Yi Gave an Interview to Al Jazeera,” Ministry of Foreign Affairs of the People’s Republic of China, January 9, 2014, https://www.fmprc.gov.cn/mfa_eng/wjb_663304/wjbz_663308/2461_663310/t116509.shtml.

29 “Wang Yi: China and Arab States Should Jointly Forge the Cooperation Layout Featuring ‘Industrial Park-Port Interconnection, Two-Wheel and Two-Wing Approach,’” Consulate-General of the People’s Republic of China in Kuching, July 10, 2018, <https://kuching.chineseconsulate.org/eng/news/t1576567.htm>.

30 Yoram Evron, “The Challenge of Implementing the Belt and Road Initiative in the Middle East: Connectivity Projects Under Conditions of Limited Political Engagement,” *China Quarterly* 237, 1 (2019), 10.

31 “China Global Investment Tracker,” American Enterprise Institute, <http://www.aei.org/china-global-investment-tracker/>.

shame for humanity.”³² This highlights a long-standing source of potential tension. Turkish President Recep Erdoğan's ambitions to be seen as a leader in the Middle East (and of Turkic people in particular) is another complication, as it brings him in conflict with other MENA leaders, contributing to poor relations with many key states in the region. The treatment of Turkic Uighurs in China is also a source of contention. As with Israel, deeper political ties with Turkey do not increase China's standing with the rest of the Middle East.

Most challenging of the three is the relationship with Iran. It, too, is a geostrategically important state for the BRI and has long enjoyed strong relations with China. The economic foundation of the relationship is strong; bilateral trade has grown from approximately \$2 billion in 2000 to nearly \$27 billion in 2017, and Chinese investments in Iran between 2005 and 2018 totaled more than \$27 billion. It is an important source of energy imports for China, with Iran supplying 11 percent of Chinese oil imports between 2011 and 2016.³³ There have also been important BRI connectivity projects between the two, most notably the direct freight-train railway from China's Zhejiang province to Tehran. This line cut the speed of transportation by thirty days when compared with shipping between Shanghai and Bandar Abbas port.³⁴ However, as with Israel and Turkey, Iran limits BRI connectivity with other MENA states. Also, closer bilateral ties with Iran not only threaten its Arab neighbors—they also put China's relations with the United States at risk. This has had consequences for the China-Iran relationship. Scholar John Garver describes how Chinese pressure was used to facilitate Iran's agreement to sign the Joint Comprehensive Plan of Action (JCPOA), noting that “Chinese representatives made clear to Iranian leaders that China was prepared to participate largely and generously in Iran's development effort, but that the premise of such participation was a satisfactory resolution of the Iran nuclear issue.”³⁵ This case shows that China values the US relationship more than that with Iran. Leaders in Beijing, conscious of the potential blowback of being perceived as supporting a noncompliant Iran, are wary of deepening relations with Tehran at the expense of more important relations with other states.

“As China's economic role in MENA increases, there are concerns about the terms of loans and investment, which other states have found difficult to navigate.”

Concerns About China's “Debt-Trap” Diplomacy

As China's economic role in MENA increases, there are concerns about the terms of loans and investment, which other states have found difficult to navigate. The case of Sri Lanka is telling. Having taken out large loans for ambitious infrastructure projects, it was unable to service its debt to China. As a result, China Merchants Port Holdings took control of Hambantota port with a ninety-nine-year lease. The Maldives is also under serious debt obligation to China; 70 percent of its national debt is with China, and 10 percent of its national budget is allotted to debt repayments to China.³⁶ Not surprisingly, this has led to charges of “debt-trap diplomacy,” a concern that MENA states have to consider in their BRI participation. This is perhaps less of an issue for GCC states, with their substantial sovereign wealth funds, but other, poorer MENA states may be measured in their willingness to take on Chinese loans for BRI projects.

The Soft-Power Component: Language and Tourism

Another important element of China's BRI push in the Middle East is its nascent, but growing, soft-power projection. Societies in the Middle East are generally more comfortable and familiar with Western languages and culture; in contrast, China is quite alien. As one of the cooperation priorities of the BRI, establishing stronger people-to-people bonds is an attempt to address this

32 Gerry Shih, “After Years of Silence, Turkey Rebukes China for Mass Detention of Muslim Uighurs,” *Washington Post*, February 10, 2019, https://www.washingtonpost.com/world/after-years-of-silence-turkey-rebukes-china-for-mass-detention-of-muslim-ughurs/2019/02/10/011c7dd6-2d44-11e9-ac6c-14eea99d5e24_story.html?utm_term=.b6624de55c53.

33 “China's Crude Oil Imports from Iran (2011-2016),” Middle East Institute, <https://www.mei.edu/resources/infographic/chinas-crude-oil-imports-iran-2011-2016>.

34 “First Freight Train from China Arrives in Iran in ‘Silk Road’ Boost,” Reuters, February 16, 2016, <https://www.reuters.com/article/us-china-iran-railway-idUSKCN0VPOW8>.

35 John Garver, “China and the Iran Nuclear Negotiations: Beijing's Mediation Effort,” in James Reardon-Anderson, ed., *The Red Star & the Crescent* (London: Hurst and Company, 2018), 124.

36 Robert A. Manning and Bharath Gopalaswamy, “Is Abdulla Yameen Handing Over the Maldives to China?” *Foreign Policy*, March 21, 2018, <https://foreignpolicy.com/2018/03/21/is-abdulla-yameen-handing-over-the-maldives-to-china/>.

shortcoming. China has set up Confucius Institutes to teach Chinese language and culture in Bahrain, Egypt, Iran, Israel, Jordan, Lebanon, Turkey, and the UAE. An interesting outcome of Saudi Crown Prince Mohammed Bin Salman's 2019 trip to China was a commitment to introduce Chinese language instruction at all stages of Saudi school and university education.³⁷ Clearly, the aim on both sides is to increase cultural and linguistic fluency.

Tourism has also been a factor in deeper cultural awareness. The number of Chinese traveling overseas has increased dramatically in recent years, and Middle Eastern countries—while lagging far behind European, Asian, and American destinations—are offering incentives, such as visas upon arrival, to draw in Chinese tourists. Not surprisingly, the Gulf monarchies have been the most successful thus far, forecasting an 81-percent increase in Chinese tourists between 2018 and 2022.³⁸ The UAE is leading in this regard, with Dubai alone seeing more than four hundred thousand Chinese visitors in the first half of 2018.³⁹ Emirati hotels have been active in luring Chinese tourists, implementing a program called China Ready. To gain certification, hotels must employ Chinese speakers as greeters, have trained Chinese chefs on staff, and provide Chinese newspapers and television channels.⁴⁰

While starting from a low level, especially compared with their deep familiarity with the West, Middle Easterners are becoming more culturally aware of China. As BRI-funded projects under the “people-to-people bonds” cooperation priority develop, this can be expected to increase.

Conclusion

In short, China's BRI and “soft-power” language and tourism ambitions in MENA indicate that it aspires to a greater role in a region that it perceives as strategically important. Its vision for its role is clearly articulated, and dovetails with existing bilateral relationships under the BRI's cooperation priorities. Another important point is that China's approach to MENA is essentially consistent with the regional status quo. In partnering with the UAE, Saudi Arabia, and Egypt, China appears to be wary of disrupting a delicate and volatile order. By working with Turkey and Iran through partnerships, but keeping them somewhat at arm's length, China seems conscious of the fact that deeper ties with them could alienate key regional players and threaten the gains it has made. At the same time, its inclusiveness seems to look toward all future scenarios, keeping doors open in Tehran and Ankara.

37 “Saudi Arabia to Include Chinese Language in Educational Curriculum,” *Al Arabiya*, February 22, 2019, <http://english.alarabiya.net/en/News/gulf/2019/02/22/Saudi-Arabia-to-include-Chinese-language-in-educational-curriculum.html>.

38 Sam Bridge, “Gulf Forecast to See 81% Rise in Chinese Tourists by 2022,” *Arabian Business*, December 19, 2018, <https://www.arabianbusiness.com/travel-hospitality/409972-gulf-forecast-to-see-81-rise-in-chinese-tourists-by-2022>.

39 “Record Growth in Chinese Visitors to Dubai,” *Khaleej Times*, July 18, 2018, <https://www.khaleejtimes.com/nation/uae-china-week/record-growth-in-chinese-visitors-to-dubai>.

40 Jonathan Fulton, *China's Relations with the Gulf Monarchies* (London: Routledge, 2018), 155.

PART II: MENA RESPONSES

For MENA actors, Chinese interest in their region comes at an opportune time, as questions about the US commitment to MENA have become increasingly relevant. The Iraq War, the Barack Obama administration's response to the Arab uprisings in 2011 and the Syrian civil war, and negotiations with Iran in the JCPOA all contributed to a reconsideration of how MENA states view the United States while the US Pivot/Rebalance to Asia and the shale revolution have led to a concern that the United States' interests in MENA may have shifted fundamentally.

Likewise, the contrast between Chinese and US approaches to MENA security has been made explicit by several Chinese scholars. Sun Degang, for example, describes a soft/hard military approach to the region. China's "soft" approach focuses on geoeconomic considerations that address domestic-level concerns for both China and MENA states. Its "soft" military presence is not institutionalized, but is mission oriented, with temporary deployments. In contrast, the United States' "hard" approach is focused on geopolitical concerns, and features physical military infrastructure.⁴¹ This geoeconomic approach is consistent with a developmental approach to building MENA security that Chinese leaders favor, and is consistent with the aid, investments, and loans pledged during the 2018 CASCF ministerial meeting.

Perception that China is Stepping in as the United States Steps Back

An inconsistent MENA policy under President Donald Trump's administration has not changed the narrative that the United States is unreliable and wants to pull back from the Middle East. Its back-and-forth response to the dispute between Qatar and the Anti-Terror Quartet has demonstrated a lack of clarity. The decision to move the US embassy from Tel Aviv to Jerusalem angered many across the region. The calls for a total troop withdrawal from Syria and a substantial withdrawal from Afghanistan reinforce the perception of a

United States looking to get out of the Middle East.⁴² Washington's attempt to create an "Arab NATO" with the Middle East Strategic Alliance (MESA) is taken as another sign that the United States is looking to lessen its MENA footprint.⁴³

For these reasons, leaders in MENA have been reaching out to a wide range of states that have not traditionally been major regional players. Recent years have seen Russia, India, Japan, and South Korea all deepening ties with the MENA, mostly in the economic realm.⁴⁴ This is especially prevalent in the Gulf monarchies, as their most recent attempts toward economic diversification, and away from a single-resource rentier economic model, have intensified in the post-Arab Uprising era. Concerns about pressure for political reform, while not at the forefront, could grow in the face of economic hardship. The price drop in energy markets has badly shaken Gulf economies, all of which are heavily reliant on energy exports to fund their generous welfare states.

Synergies Between "Vision" Plans and BRI

Each of the GCC states has embarked upon "Vision" development plans—Saudi Vision 2030, New Kuwait 2035, Abu Dhabi 2030, Qatar National Vision 2030, Oman Vision 2040, and Bahrain's Economic Vision 2030—all of which are the most recent attempts to build diverse economies, and foreign direct investment is an important pillar.

There is strong synergy between these "Vision" plans and the BRI, as the facilities connectivity and policy-coordination cooperation priorities especially come into play here. Many leaders in the Gulf have made the Vision-BRI link explicit; Saudi Crown Prince Mohammed Bin Salman described it as "one of the main pillars of the Saudi Vision 2030."⁴⁵ This BRI-Vision cooperation builds easily upon relations that predate the BRI; research from the Heritage Foundation shows that between 2005 and 2014, Chinese construction and infrastructure contracts in the GCC totaled \$30 billion,

41 Degang Sun, "China's Soft Military Presence in the Middle East," Middle East Institute, March 11, 2015, <https://www.mei.edu/publications/chinas-soft-military-presence-middle-east>.

42 Paul Salem, "America's Mideast Retreat," Chatham House, February 2019, <https://www.chathamhouse.org/publications/twt/americas-mideast-retreat>.

43 Yasmine Farouk, "The Middle East Strategic Alliance Has a Long Way to Go," Carnegie Endowment for International Peace, February 8, 2019, <https://carnegieendowment.org/2019/02/08/middle-east-strategic-alliance-has-long-way-to-go-pub-78317>.

44 Jonathan Fulton and Li-Chen Sim, eds., *External Powers and the Gulf Monarchies* (London: Routledge, 2018).

45 "Fusing Vision 2030 with Belt Road Initiative," *Arab News*, September 3, 2016, <http://www.arabnews.com/node/979346/saudi-arabia>.



Map of China's Belt and Road Initiative. Sources: International Road Transport Union, Brookings, Council on Foreign Relations

accounting for 8 percent of China's global contracts during that period.⁴⁶

Non-GCC MENA State Relationships with China

On the other side of the Gulf, Iran has been equally welcoming. The bilateral relationship is incredibly uneven; Iran needs China much more than China needs Iran. This asymmetry is problematic for Iran, but no other state can offer the same kind of material support that China can. For example, in 2017 China's CITIC Group, a state-owned investment firm, provided a \$10 billion line of credit to the Iranian government, knowing that it could again face US sanctions.⁴⁷ That Iran is geostrategically situated in the BRI provides some leverage, but the relationship will remain very one-sided.

Turkey is another MENA power that can benefit from a stronger Chinese presence. Its relations with Europe and the United States have gotten progressively worse and, under President Erdoğan, Turkey has taken an eastward orientation. Turkey has made overtures to the China-led Shanghai Cooperation Organization (SCO), with Erdoğan noting the “common values” that Turkey shares with SCO states, stating, “If we get into the SCO, we will say good-bye to the European Union. The Shanghai Five [former name of the SCO] is better—much more powerful.”⁴⁸ With a challenging set of relations with its NATO allies and a weakened position in the Middle East, Turkey could benefit from a better relationship with China through BRI cooperation.

Egypt has been especially interested in China. President Abdel Fattah al-Sisi has been to China six times since

46 “GCC Trade and Investment Flows,” *Economist Intelligence Unit* (2014), 27.

47 Ladane Nasser, “Iran's Leaders Are Bolstered by Billions in Loans from the East,” *Bloomberg*, September 20, 2017, <https://www.bloomberg.com/news/articles/2017-09-20/iran-loaned-billions-as-asian-powers-reject-trump-world-view>.

48 Raffaello Pantucci and Alexandros Peterson, “Turkey: Abandoning the EU for the SCO?” *Diplomat*, February 17, 2013, <https://thediplomat.com/2013/02/turkey-abandoning-the-eu-for-the-sco/>.



Chinese President Xi Jinping attends the opening ceremony for the second Belt and Road Forum in Beijing, China April 26, 2019. REUTERS/Florence Lo

taking office in 2014, and Chinese FDI into Egypt has spiked in the same period, drawing more than \$15 billion.⁴⁹ This can partly be explained as a diversification policy by Egypt, as the United States and Europe grew more overtly critical of Cairo after al-Sisi's coup was followed by a crackdown on protests. In comparison, China's commitment to non-interference in the domestic politics of other countries presents an attractive alternative. An Egyptian official described the perception of China: "There are economic powers who have the ability to help us but not the desire, and others who have the desire but not the ability. China tops the list of those who have both the ability and the desire."⁵⁰ China's port projects in Egypt, part of the "industrial park-port interconnectivity" initiative described above, are substantial, but only part of Chinese FDI into Egypt.

Chinese developers are expected to invest \$20 billion into the New Administrative Capital project, and Chinese banks have agreed to lend most of the \$3 billion needed to build the new capital's Central Business District.⁵¹ With concerns about Western support for the al-Sisi government, Egypt has effectively capitalized on Chinese BRI largess. Whether this is an attempt to get Washington's attention, or represents a smart hedging strategy to draw China more deeply into an important Red-Med chokepoint, there seems to be substantial convergence of interests between Cairo and Beijing, indicating a deepening bilateral relationship.

Israel has been quick to develop its economic relationship with China, but has reasons to be reluctant about deeper ties. The chief of Shin Bet recently described

49 "China Global Investment Tracker," American Enterprise Institute, <http://www.aei.org/china-global-investment-tracker/>.

50 Heba Saleh, "Egypt Sees Chinese Investment, and Tourists, as a 'Win-Win' Boost," *Financial Times*, October 30, 2018, <https://www.ft.com/content/e490d960-7613-11e8-8cc4-59b7a8ef7d3d>.

51 David Wood, "Egypt Loves China's Deep Pockets," *Foreign Policy*, August 28, 2018, <https://foreignpolicy.com/2018/08/28/egypt-loves-chinas-deep-pockets/>.

Chinese infrastructure projects in Israel as a potential security threat, and called for legislation to supervise them more carefully.⁵² Further complicating the relationship are Israel's deep ties to the United States, which has reportedly pressured Israel to downgrade its relations with Beijing.⁵³ Given an unwavering US commitment to Israeli security, there is little need to draw China in as an alternative security provider, and Washington's concerns about Chinese involvement in Israel could limit the relationship.

Conclusion

Taken together, there is a trend of states across the MENA looking to engage more deeply with China. The economic logic described above explains much of this, but there is a strategic logic at play as well. In the post-2011-uprising world, MENA regional order is particularly unstable, leading to competition among many states with diverging interests and ambitions for the region. This is coupled with the perception that the United States' relative power, influence, and commitment to the Middle East are in decline.

Because of this, MENA states have been hedging their bets, trying to maintain the US relationship while, at the same time, engaging more seriously with China. Because Chinese BRI ambitions roughly coincide with this perceived US pullback, Middle Eastern leaders are developing these political and economic relations. At the same

time, nobody expects China to replace the United States in military terms. It lacks the power projection and, more importantly, seems to lack this interest. An important part of this deepening of relations is that it has had a relatively low cost: the United States security architecture has provided an environment where China knows that its assets and citizens will be safe. Gulf leaders, in particular, want more, and recent years have seen small steps toward security partnerships, with arms sales, joint training, and high-level meetings between military and defense officials.⁵⁴ Importantly for MENA, this instills an expectation that China will be more than an opportunistic "free rider." Increasing regional interests will translate into a larger role in protecting these interests, an important development in an uncertain region.

Beyond the strategic and economic considerations, one other point underscores the attractiveness of Chinese MENA engagement: the BRI represents a positive vision of the Middle East. Whereas Western discussions about the region tend to describe the Middle East as a problem to be solved, the BRI frames it as an important region in a project bridging states and societies across Eurasia. A Gulf diplomat recently made this point, saying that with the BRI, China has articulated a clear future for Eurasia with a positive role for the Middle East.⁵⁵ The contrast seems clear: Western capitals seem to be suffering from Middle East fatigue, while Beijing, still in early days, is optimistic about its MENA future.

52 "Chinese Investments in Israel Could Pose Security Threat, Shin Bet Chief Warns," *Haaretz*, January 9, 2019, <https://www.haaretz.com/israel-news/business/chinese-investments-in-israel-could-pose-security-threat-shin-bet-chief-warns-1.6827146>.

53 Amos Harel, "Amid Trump Pressure, Israel Mulls Cooling Burgeoning China Ties," *Haaretz*, January 7, 2019, <https://www.haaretz.com/israel-news/.premium-amid-trump-pressure-israel-mulls-cooling-burgeoning-china-ties-1.6811090>.

54 Fulton, *China's Relations with the Gulf Monarchies*.

55 Interview with the author, September 2018.

PART III: WHITHER WASHINGTON?

While China-MENA relations are fascinating in their own right, the United States adds an interesting dynamic. As described above, many of China's economic gains in the region can be partially attributed to the US security architecture, which allows China to trade and invest without a corresponding security role. Much of MENA's interest in deeper ties with China can be partially attributed to uncertainty about the United States' future intentions in the region. Any analysis of China in MENA, therefore, has to address the US role in all of this. Central to this are two questions. Do US and Chinese MENA interests converge or diverge? And, do their regional policies make room for cooperation, or are they inherently competitive?

US and Chinese Interests in MENA

US interests in MENA center on three considerations: access to energy resources for global markets, freedom of navigation, and Israeli security. These objectives have driven the United States' active-balancing approach to the region, building a network of naval and air bases through Defense Cooperation Agreements and Facilities Access Agreements. This security architecture is the means by which the United States is able to protect those interests, while supporting a regional status quo that favors Washington's MENA partners and allies.

China's MENA interests are similar, for the most part. Israeli security does not feature in Beijing's strategic thinking toward MENA with anything resembling the US commitment, but energy access and freedom of navigation are both core Chinese MENA interests. China's BRI also requires a stable MENA and, as discussed below, the US security architecture goes a long way in securing China's regional interests.

China's policy objectives in the MENA have undergone substantial change in recent years. Under Chairman Mao Zedong, MENA was part of the intermediate zone: it was essentially a playing field for great-power competition and, while it featured in Mao's strategic

thinking, it was not important in and of itself. The revolutionary foreign policy during the early days of the Cultural Revolution, while short lived, damaged China's reputation in the Middle East—especially on the Arabian Peninsula, where China's support for an Omani insurgency was meant to overthrow Gulf monarchies.⁵⁶ During the Reform Era initiated by Deng Xiaoping, Chinese foreign policy was characterized by the twenty-four-character dictum *taoguang yanhui* (or “hide and bide”): “Observe calmly, secure our position, cope with affairs calmly, hide our capacities and bide our time, be good at maintaining a low profile, and never claim leadership.” This led to a deeper level of international engagement, as China worked on building a wider range of economic and diplomatic relationships.

Chinese involvement in MENA grew, especially after 1993, when China became a net oil importer for the first time. Energy and markets, therefore, explain much of the logic of China-MENA relations during this period. They are now in the next phase, with “hide and bide” replaced by Xi's *fen fa you wei*, or “be proactive in seeking achievements.”⁵⁷ The BRI is the center of this and, in MENA, China's interests have progressed from largely economic to strategic as well. However, in this expansion of Chinese power and influence, the preference has clearly been to maintain the status quo, rather than to challenge it with a new China-led order. Xi made this point explicit when he spoke in Davos in 2017, giving an impassioned defense of globalization.⁵⁸ Premier Li Keqiang has also emphasized that Beijing is not trying to establish a competitor to the international institutions that maintain the existing order. In discussing the Asian Infrastructure Investment Bank, he stated, “China wants to work with others to uphold the existing international financial system. [The AIIB] is intended to be a supplement to the current international system.”⁵⁹ Gone are the days of support for revolutionary non-state actors. China's approach has been to work with states, and its ties have been deepest with those states that share its view of the MENA status quo, which—with the notable exception of Iran—is consistent with the United States' MENA relations.

56 Fulton, *China's Relations with the Gulf Monarchies*, 122–125.

57 See Yan Xuetong, “From Keeping a Low Profile to Striving for Achievement,” *Chinese Journal of International Politics* 7 (2), (2014), 153–184.

58 Xi Jinping, “Jointly Shoulder Responsibility of Our Times, Promote Global Growth,” Keynote Speech by H.E. Xi Jinping President of the People's Republic of China at the Opening Session of the World Economic Forum Annual Meeting, Davos, January 17, 2017, http://www.china.org.cn/node_7247529/content_40569136.htm.

59 Lionel Barber, David Piling, and Jamil Anderlini, “Interview: Li Keqiang on China's Challenges,” *Financial Times*, April 15, 2015, <https://www.ft.com/content/38307b3e-e28d-11e4-aa1d-00144feab7de>.



Chinese President Xi Jinping attends the opening ceremony for the second Belt and Road Forum in Beijing, China April 26, 2019. REUTERS/Florence Lo

This indicates that China and the United States actually share similar interests in the Middle East. Israeli scholar Yitzhak Shichor has noticed a “relatively high convergence” of US and Chinese “attitudes, policies, and behavior on a variety of Middle East issues.”⁶⁰ He also emphasizes that Beijing does not have anywhere near the same level of political influence as Washington in capital cities throughout the region. This is mostly because of the tremendous gap between China’s economic footprint and its comparatively small contributions to public goods in the region. There is a perception that until China is more deeply engaged on security issues, it will not be considered a top-tier player. BRI projects may provide a solid first step toward changing this perception, as might China’s public

willingness to play a larger role in regional diplomacy, such as when Foreign Minister Wang offered China’s services to mediate between Riyadh and Tehran in 2017.⁶¹ At the same time, it is clear that US diplomatic and political power, while perceived to be softening, is still much more substantial than China’s, and is likely to remain that way in the near term.

For Beijing, this has to be considered a dangerous vulnerability. Its energy security and access to MENA markets are underwritten by the United States, and the US-China relationship is increasingly resembling a strategic rivalry. The US National Security Strategy, released in December 2017, describes China in hawkish language, referring to a “geopolitical competition

60 Tim Niblock, “Strategic Economic Relationships and Strategic Openings in the Gulf,” in Steven W. Hook and Tim Niblock, eds., *The United States and the Gulf: Shifting Pressures, Strategies and Alignments* (Berlin: Gerlach Press, 2015), 16-18.

61 “Ahead of King’s Visit, China Says Hopes Saudi, Iran Can Resolve Problems,” Reuters, March 8, 2017, <https://www.reuters.com/article/us-china-parliament-mideast-idUSKBN16FOKV>.

“The US-China trade war reinforces the likelihood of a bilateral relationship defined by competition rather than cooperation; this will influence Beijing’s approach to the Gulf in particular, and the Indo-Pacific in general.”

between free and repressive visions of world order” in the Indo-Pacific and stating that “China presents its ambitions as mutually beneficial, but Chinese dominance risks diminishing the sovereignty of many states.”⁶² The US-China trade war reinforces the likelihood of a bilateral relationship defined by competition rather than cooperation; this will influence Beijing’s approach to the Gulf in particular, and the Indo-Pacific in general. That its strategic rival can easily disrupt crucial maritime shipping routes is a strategic vulnerability that will require Chinese naval expansion, and the BRI port projects discussed above could potentially use Djibouti as an overseas base for the People’s Liberation Army Navy.

From the US perspective, China has taken advantage of the security umbrella the United States provides, without a corresponding contribution to Middle East stability. China is seen in Washington, as President Obama said in a *New York Times* interview, as a “free rider.”⁶³ China, not surprisingly, has rejected this claim, noting peacekeeping forces in Lebanon, its antipiracy mission in the Gulf of Aden, and contributions toward stability provided by its economic engagement: “Political mediation and economic engagement, which can help mitigate tensions within and among regional countries,

should definitely be regarded as security public goods as well.”⁶⁴

Area of US-China Friction: Technology

One especially contentious area is the spread of Chinese technology throughout the Middle East. The 1+2+3 cooperation pattern from China’s 2016 Arab Policy Paper identified satellite technology as one of the three emerging technologies on which China wanted to focus, and the joint communique from 2017’s Belt and Road Forum further developed this, pledging to build a Digital Silk Road that would support “innovation action plans for e-commerce, digital economy, smart cities and science and technology parks.”⁶⁵ China’s BeiDou satellite network features significantly, offering navigation and positioning services that offer military, transportation, and agricultural applications. A China-Arab States BeiDou Cooperation Forum was held in Shanghai in 2017, where Tunisia’s minister of higher education and scientific research said: “cooperation is the best example of the strategic cooperation between China and Arab states, as satellite navigation integrates many hi-tech areas, including telecommunication and space technologies.”⁶⁶ As Chinese firms deepen their MENA footprint in these technologies, there is a concern in Washington that there are security risks for the United States, especially in states with US military cooperation and advanced US weapons systems.

The implications of China’s 5G network in the Middle East is especially problematic. 5G’s Authentication and Key Agreement protocol is believed to be unsecure, creating potential data theft or sabotage, which could have national security implications. Huawei, the firm at the forefront of China’s 5G services, is perceived as a possible threat, given a Chinese law that requires cooperation with the government in cases of national security.⁶⁷ Citing this as a security concern, US Secretary of State Michael Pompeo has warned, “If a country adopts this and puts it in some of their critical information systems,

62 “National Security Strategy of the United States,” White House, December 2017, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>.

63 “The Obama Interview: China as a Free-Rider,” *New York Times*, August 9, 2014, <https://www.nytimes.com/video/opinion/100000003047788/china-as-a-free-rider.html>.

64 Jin Linxiang, “China’s Role in the Middle East: Current Debates and Future Trends,” *China Quarterly of International Strategic Studies* 3, 1 (2017), 42.

65 “Full Text: Joint Communique of Leaders Roundtable of Belt and Road Forum,” Xinhua, May 15, 2017, http://www.xinhuanet.com/english/2017-05/15/c_136286378.htm.

66 “BeiDou Navigation System Guides China-Arab Cooperation on ‘Space Silk Road,’” *China Daily*, April 2, 2019, http://www.chinadaily.com.cn/a/201904/02/WS5ca3321da3104842260b400a_1.html.

67 Adam Satariano, “U.A.E. to Use Equipment from Huawei Despite American Pressure,” *New York Times*, February 26, 2019, <https://www.nytimes.com/2019/02/26/technology/huawei-uae-5g-network.html>.

we won't be able to share information with them, we won't be able to work alongside them.”⁶⁸ This issue became more critical in May 2019 when President Trump signed an executive order that blocks transactions of technology that “poses an unacceptable risk to the national security of the United States,” adding Huawei and its affiliates to the Bureau of Industry and Security Entity List.⁶⁹ The consequences of this could affect relations with MENA states, such as the UAE, Saudi Arabia, Kuwait, Bahrain, and Egypt, all of which have telecommunication firms that have partnered with Huawei. The Africa Cup of Nations, hosted in Egypt in the summer of 2019, will be the venue where Huawei rolls out its 5G phone network for the first time, introducing the technology at the Cairo International Stadium.⁷⁰

Conclusion and Recommendations for the Future

While there is a divergence in how China and the United States approach the Middle East, their interests are largely compatible. Both want a stable Middle East with strong states that have the capacity to contribute to a regional status quo that supports their strategic and economic concerns. Whether the two can work together in achieving this remains to be seen.

That each perceives the other as its main strategic rival suggests that MENA could well be a theater of US-China competition. At the same time, there is enough overlap of interests that, under the right conditions, it could also be a theater of cooperation. Achieving this is easier said than done, and will require careful and consistent

management of the bilateral relationship. That the House Foreign Affairs Subcommittee on the Middle East, North Africa, and International Terrorism recently held hearings on Chinese and Russian influence in MENA is a hopeful sign that US leadership recognizes a shift in China's role in the region. Dr. Jon Alterman provided especially clear-eyed testimony, noting that “China seems to be seeking ways to compete without becoming a rival, and its early results seem positive.”⁷¹ Informed analysis of China's strategic and economic ambitions in MENA has never been more important. To this end, the following recommendations should be considered.

- The expansion of Chinese power and influence in the region needs to be tracked closely and comprehensively, understanding the difference in Chinese relationships with each country in the region.
- There is a significant gap in expertise within the US policymaker community, and this needs to be filled. Most US MENA experts lack familiarity with China, and most US China experts lack familiarity with MENA. Similarly, Chinese MENA experts need to become more familiar with the US role in the Middle East.
- A track-two effort between US and Chinese foreign policy experts focused on MENA would help both sides understand each other, identify key proposals for their respective governments and, more generally, help maximize the possibility of a Middle East that does not become a focus of superpower competition in the coming decades.

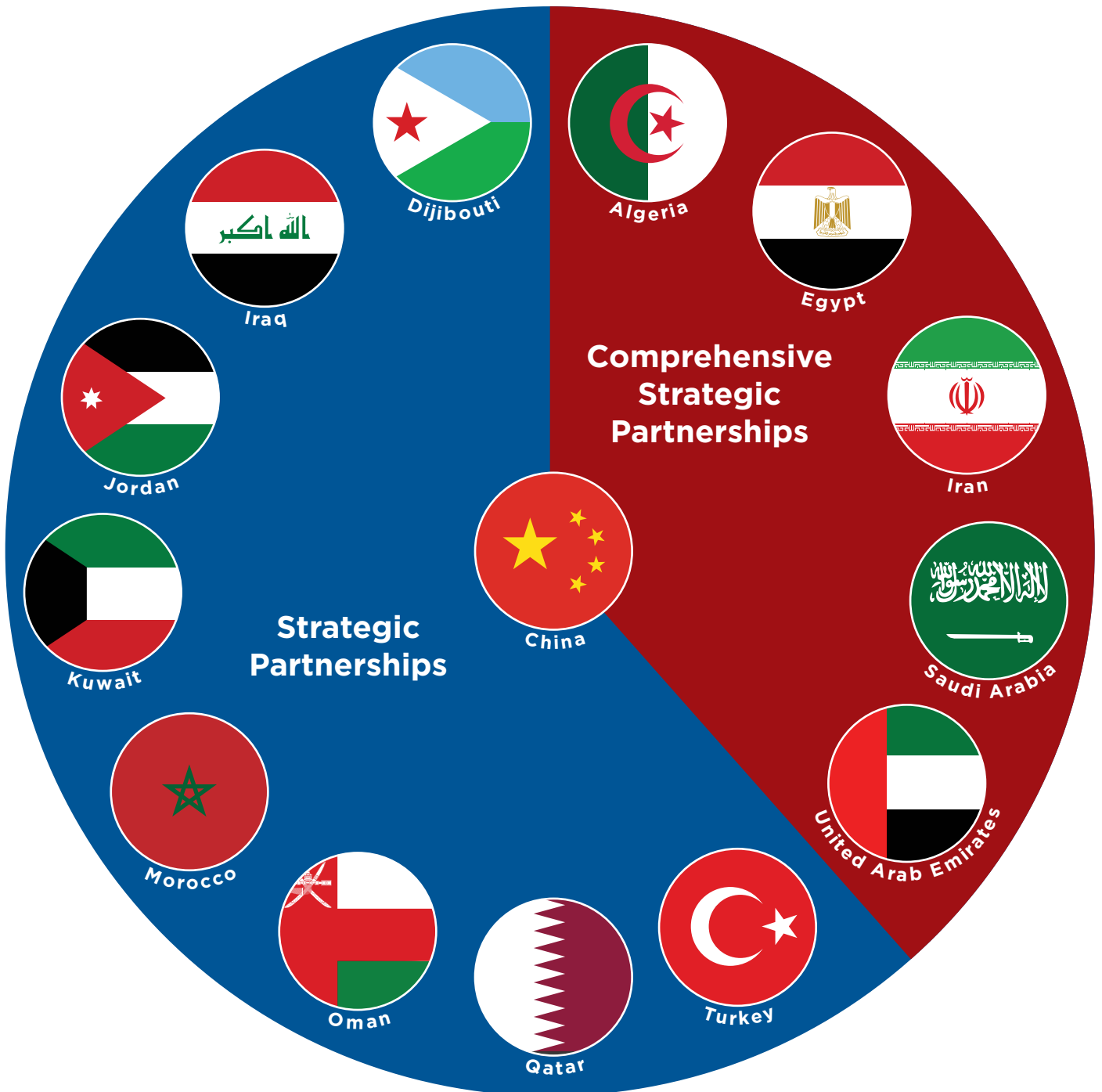
68 “U.S. Won't Partner with Countries that Use Huawei Systems: Pompeo,” Reuters, February 21, 2019, <https://www.reuters.com/article/us-huawei-tech-usa-pompeo/us-wont-partner-with-countries-that-use-huawei-systems-pompeo-idUSKCN1QA1O6>.

69 Tucker Higgins, “Trump Declares National Emergency Over Threats Against US Technology Amid Campaign Against Huawei,” CNBC, May 15, 2019, <https://www.cnbc.com/2019/05/15/trump-signs-executive-order-declaring-national-emergency-over-threats-against-us-technology.html>.

70 “China's Huawei to Launch 5G at Africa Cup of Nations in Egypt,” *Arab News*, April 22, 2019, <http://www.arabnews.com/node/1485906/business-economy>.

71 Statement before the House Foreign Affairs Subcommittee on the Middle East, North Africa, and International Terrorism, “Chinese and Russian Influence in the Middle East,” A Testimony by Jon B. Alterman, May 9, 2019, <https://www.csis.org/analysis/chinese-and-russian-influence-middle-east>.

China's MENA Partnerships



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