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Situation Estimate



China's Leverage in the Middle East: Current Realities and Prospects

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Dimensions for Strategic Studies

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Introduction

There is no disputing the fact that the Chinese approach to marketing and public relations is strong. Many businesspeople in China have carefully honed skills for identifying brands that would also be successful in the West.

Only 56 kilometres separate Sūzhōu from Ningbo (south of Shanghai). While Washington and the rest of the northern hemisphere sleeps, hundreds of factories in Ningbo-Zhoushan, on the coast of the East China Sea, create hundreds of thousands of tons of cargo daily, to be exported from the busiest port in the world. More than one billion tons of goods are shipped from Ningbo-Zhoushan port every year (Si, Katherine. «Ningbo-Zhoushan Posts Cargo Volume of 1.12bn Tonnes in 2019.» Seatrade Maritime, 17 January 2020, www.seatrade-maritime.com/ports-logistics/ningbo-zhoushan-posts-cargo-volume112-bn-tonnes2019-).

Scenes at Ningbo, and other cities like it, have changed drastically in recent times. 'China's Ascent' became a common term in political science and international relations during the past three decades. However, in the last few years, this notion has begun to fade. China's ascent is referred to less in scientific contexts for one fundamental reason: the rise is no longer a matter of doubt. Still, reality and debates have shifted to the extent of the inevitable superiority of China and how it will be reflected on the political, economic, and military map of the world.

China's long economic arm reaches all parts of the world, particularly in the Middle East, which has witnessed a Chinese economic presence in many sectors. How have these strong China-Middle East relations developed, and what stage have they reached? What leverage has Beijing gained as a result? What are the future opportunities for Chinese influence in the region?



First: Developments in trade and investment:

Historically, China did not show passion for global expansion, nor aspired to capture distant colonies, as was the case with the Europeans. Instead, its focus has been on sending Chinese goods worldwide in all possible manners.

China maintained this approach for most of the 20th century, as it sought political neutrality and distanced itself from hot spots, such as the Middle East, in which, until the final years of the Cold War (1991-1945), their involvement did not go beyond modest trade relations.

In the 1980s, the Peoples Republic of China (PRC) became more interested in gaining influence and expanding into the Middle East. This shift was partly to compete with the United States and the Soviet Union and somewhat to support its efforts to gain greater international recognition at the expense of the rival Republic of China (ROC) in Taiwan. (Scobell, Andrew, and Alireza Nader. *China in the Middle East: The Wary Dragon*. RAND Corporation, Santa Monica, Calif., 2016, p. 4).

The second wave of diplomatic successes with the Middle East occurred between the mid-1980s and early 1990s. In 1956, Egypt and Syria became the first two countries to establish diplomatic relations with China. But the real breakthrough came in the 1970s, following the PRC's admission into the United Nations and Beijing's acquiring of Taipei's United Nations Security Council seat. Iran, Kuwait, and Lebanon switched recognition from the ROC to the PRC in 1971, followed by Jordan (1977) and Libya and Oman (1978). The United Arab Emirates normalised relations with the PRC in 1984, as did Qatar in 1988, Bahrain in 1989, Saudi Arabia in 1990, and Israel in 1992 (Scobell, p. 4).



Since the end of the Cold War, the Chinese role in the Middle East has risen, focusing almost entirely on the economy. Beijing no longer viewed the Middle East as a secondary region. The Middle East has become more prominent in China's national security calculations, becoming a vital source of oil and a primary destination for Chinese goods and investments.

In parallel with trade relations, China has followed a cautious policy towards states in the Middle East. It has not taken a position to support any particular party over another in disputes, much like a merchant who remains neutral, so his trade is not affected. Whenever Beijing weighs in on Arab issues at the UN Security Council, it is to serve its commercial interests in the region.

With the beginning of the new millennium, Chinese factories and companies penetrated Middle East markets, with various goods, like industrial, agricultural, and medical equipment, auto parts, household and electrical appliances, and other traditional and modern goods that attract traders.

In that period, the merchants of the region went to China to buy goods based on the previous experiences of their counterparts. Many merchants were using the newly emerging Internet in the Middle East to communicate via email with Chinese factories and companies, make deals, buy goods, or organise visits to Chinese cities, including the southern town of Guangzhou (The capital of Guangdong Province, northwest of Hong Kong).

The wave of commercial flights from the Middle East to China has been accompanied by a gradual development in aircraft movement from Middle Eastern cities to China, leading to direct long-haul flights between Arab and Chinese cities.

It could be said that China entered the Middle East commercially without significant marketing and advertising efforts or pursuing a policy of sending official or private delegations, as it relied heavily on advertising through the merchants themselves who visited the PRC. Thus, the merchants of the Middle East went to China's factories and annual fairs and bought the merchandise that swept the region.



All factories in China did was focus on increasing and developing production. Paradoxically, the 'Silk Road', which was famous for centuries, relied on merchants from other countries who came to China in search of goods; Chinese people rarely walked that road (Alterman, John B. «China, the United States, and the Middle East.» *The Red Star and the Crescent: China and the Middle East*, edited by James Reardon-Anderson, Oxford University Press, 2018, pp. 58-37, p. 41).

The critical factor that made Chinese trade with the world advanced is that China gradually improved its reputation. It maintained the option of producing goods with a lower price point of advanced quality. Admittedly, it has imitated global goods, but it also has its items and attractive products in all fields as time passes.

Another attractive element for merchants is that Chinese factories allow, on a large scale, the adoption of any brand name invented to be marketed in their countries; this resulted in strong and long-term relationships being developed between merchants and factories.

Chinese factories have begun manufacturing heavy equipment and precision components, shifting away from importing them from Japan and South Korea, including essential electrical and medical tech parts.

In addition, many international companies are now manufacturing their goods in China, where these companies are looking for cheap and skilled labour and raw materials. Even if the international brands manufactured in China are not considered Chinese, they still give the country a critical reputation boost and increase popularity at a global level. In that case, manufacturing inside China contributes to developing the industrial sector, attracting huge funds and investments, which lead to increased production lines, ports, and all initiatives related to production and export.

In parallel with the above, China has worked to develop its human resources to serve its commercial expansion around the world, as many Chinese young people study international trade or equivalent academic courses while learning

foreign languages, especially English, to build the capabilities of dealing with the world commercially and marketing Chinese products and investments. It is noteworthy that many marketing and public relations employees in Chinese companies and factories use Western-style nicknames rather than their names to communicate with world traders, including Middle Eastern merchants.

China Rush

In recent years, China has taken a consistent approach in developing its trade relations with the world's countries, including those in the Middle East, as it advances step by step, albeit slowly at times. This approach enabled China to develop international relations, gradually moving from exporting and importing oil to making investments and establishing diplomatic and security ties. In the context of this progress, and after China had focused on attracting and receiving merchants, it is now the one who takes the initiative of sending official and private delegations and publishing advertisements in countries around the world, including the Middle East.

Based on this approach, China has become a significant trading partner of the region's countries for several years. Its investment projects have become the centre of attention and an important source of production. Chinese investments and contracts in the Arab countries (the Middle East and North Africa minus the Horn of Africa) increased from 2.51\$ billion in 2005 to 57.59\$ billion in 2010, to 115.41\$ billion in 2015, and then to 196.93\$ billion in 2020.⁶

(6) China Global Investment Tracker - AEI. www.aei.org/china-global-investment-tracker/.

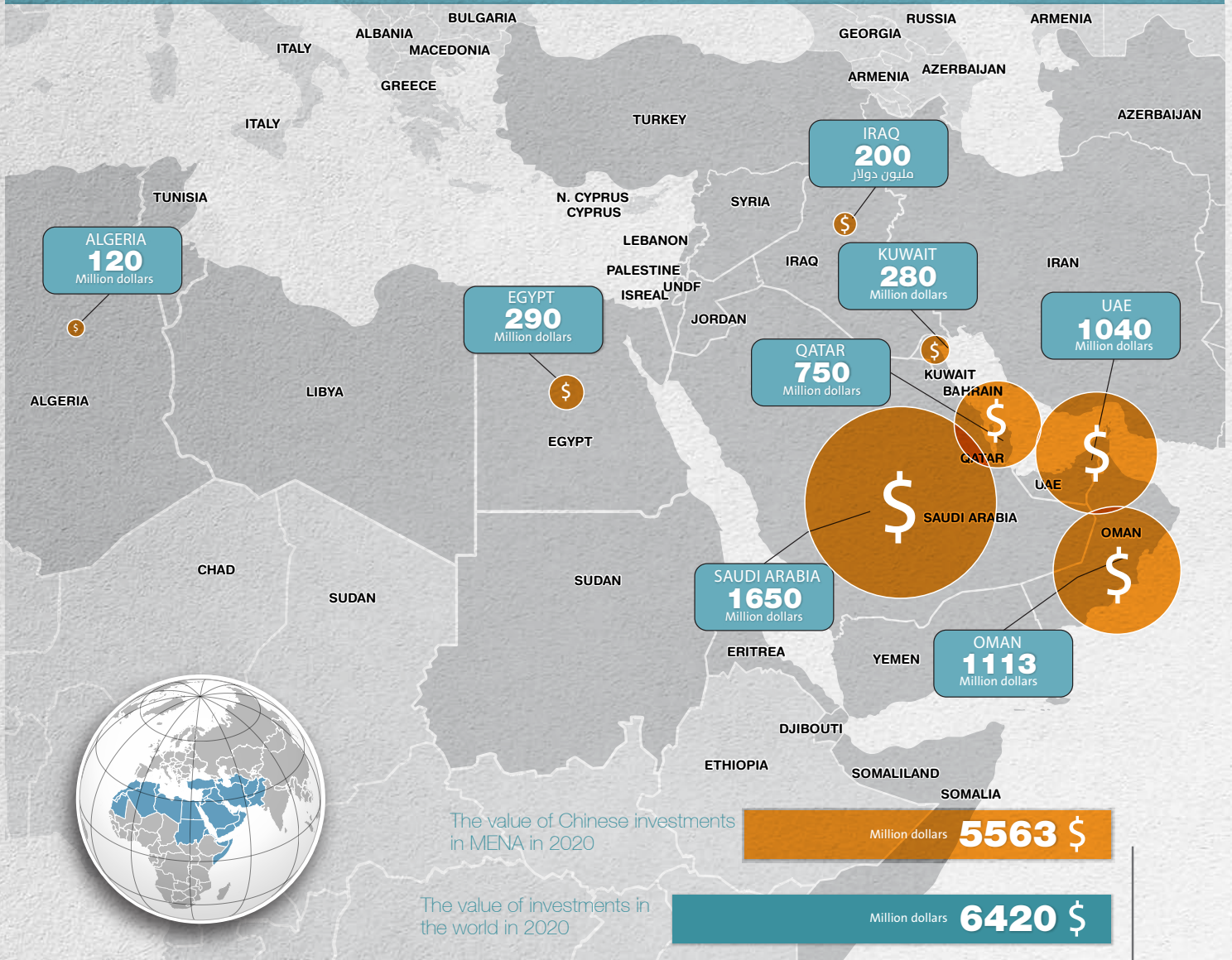
Chinese investments and contracts in the Middle East, from oil and gas to energy, airports, railways and roads, increased by 22.37\$ billion in 2018, bringing the increase to 5.82\$ billion in 2020, due to the COVID19- pandemic and its economic impact on the world ⁷ (China Global Investment Tracker - AEI. www.aei.org/china-global-investment-tracker). Infrastructure projects in the Middle East, which were outsourced to Chinese contractors, were valued at 13.8\$ billion in 2014 and \$ 24.9 billion in 2018 (Oil and Gas Projects Led by Chinese Contractors in the Middle East Stand at US75.3\$bn.» GlobalData)⁸.

(7) «Oil and Gas Projects Led by Chinese Contractors in the Middle East Stand at US75,3\$bn.» GlobalData.

(8) Trade volume between China and Arab countries in 2019 amounted to 266,4\$ billion. Xinhua Agency, May 2020 ,5, http://arabic.news.cn/05/05-2020/c_139031604.htm

Figure 1

Mapping Chinese investments in MENA countries in 2020



Source:
American Enterprise Institute for Public Policy Research, China Global Investment Tracker

The percentage of investments in the MENA in 2020 with Chinese investments in all the world of the same year

In a look at 2019, before the outbreak of the COVID19-, data issued by the PRC Ministry of Commerce showed that the volume of trade between China and the Arab countries reached 266.4 billion US dollars, an increase of %9 on a year-on-year basis.⁹

Chinese imports from Arab countries amounted to 146\$ billion in 2019, an increase of %4.8 yearly. In the same period, Chinese exports to Arab countries amounted to 120.4\$ billion, an increase of 14.7 per cent on an annual basis. The data showed that Chinese direct investments in all Arab countries amounted to 1.42 billion US dollars in 2019, an increase of %18.8. (Trade volume between China and Arab countries in 2019 amounted to 266.4\$ billion, Xinhua Agency, 5 May 2020, http://arabic.news.cn/05/05-2020/c_139031604.htm)¹⁰

In November 2019, oil and gas projects implemented by Chinese companies in the Middle East and North Africa (MENA) amounted to 75.3\$ billion (Oil and Gas Projects Led by Chinese Contractors in the Middle East Stand at US75.3\$bn.» GlobalData).¹¹

Saudi Arabia has the most significant volume of investment relations with China amongst Arab countries, valued at \$ 39.86 billion between 2005 and 2020, followed by the UAE with \$ 34.7 billion, then Algeria with \$ 23.85 billion, Iraq with \$ 23.78 billion and Egypt with \$ 23 billion.¹²

(9) «Oil and Gas Projects Led by Chinese Contractors in the Middle East Stand at US75,3\$bn.» GlobalData.

(10) Bowen, Jeremy. Has Iran become China's gateway to strengthening its influence in the Middle East? BBC Arabic, April 2021 ,1, www.bbc.com/arabic/middleeast56589117-

(11) Scobell, Andrew. «China's Search for Security in the Greater Middle East.» The Red Star and the Crescent: China and the Middle East, edited by James Reardon-Anderson, Oxford University Press, 2018, pp. 36-13, p. 13.

(12) Workman, Daniel. »Top 15 Crude Oil Suppliers to China.» World's Top Exports, 2 Dec. 2020, www.worldstopexports.com/top-15-crude-oil-suppliers-to-china/.



While the value of Chinese investments and contracts in Iran amounted to 26.56\$ billion between 2005 and 2020, last March, China and Iran signed a 25-year strategic partnership agreement; leaked documents indicated the agreement allows Beijing to buy Iranian oil in defiance of US sanctions on Tehran. In return, Iran enables China to invest across the country (Bowen, Jeremy. Has Iran become China's gateway to strengthening its influence in the Middle East? BBC Arabic, 1 April 2021, www.bbc.com/arabic/middleeast56589117-).¹³

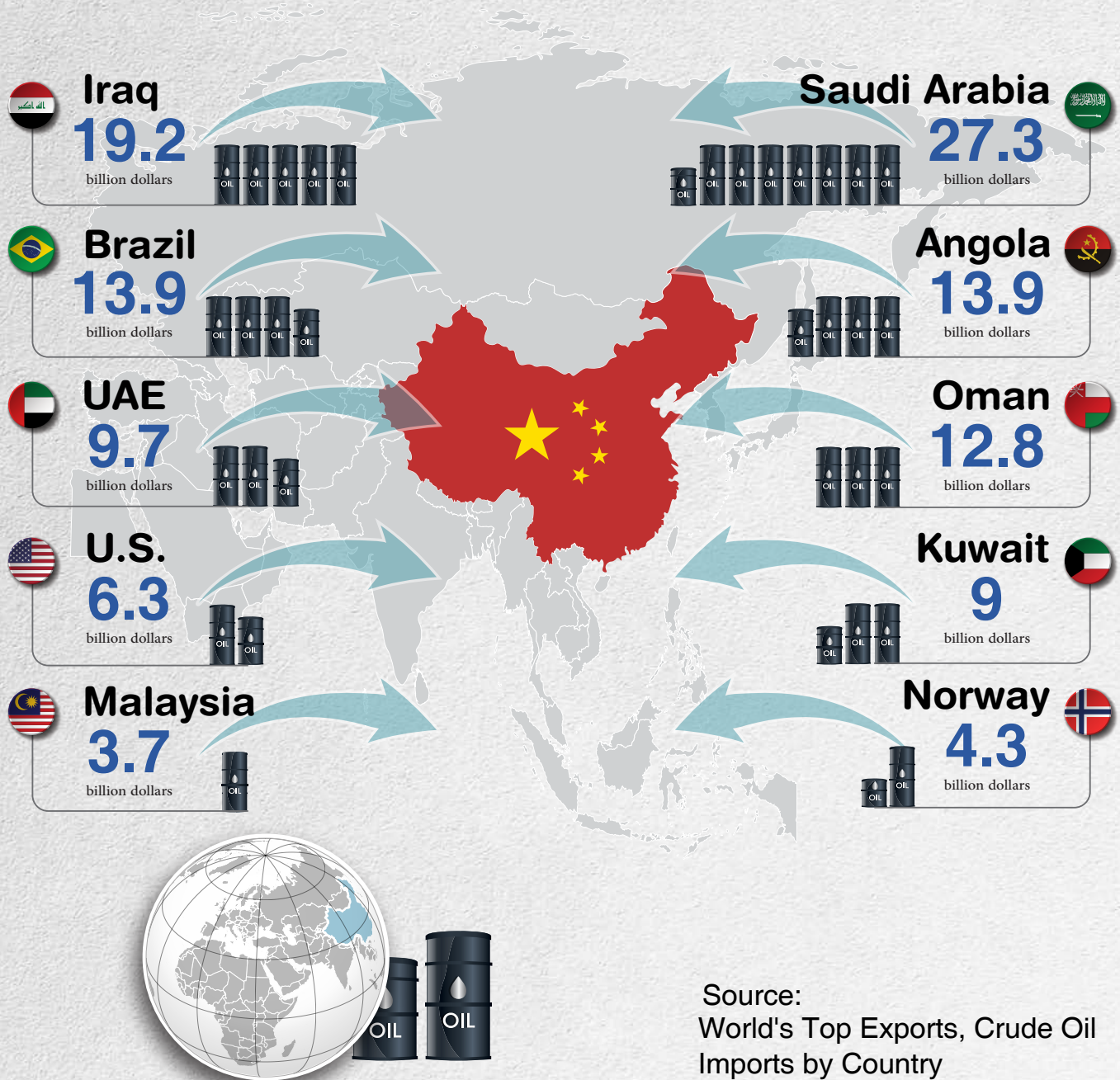
China's demand for energy sources is rising, and the Middle East has two-thirds of the world's proven oil reserves and advanced infrastructure for oil transportation and refining. As of 2015, China became the world's largest importer of crude oil, half of which came from the Middle East. (Scobell, Andrew. «China's Search for Security in the Greater Middle East.» *The Red Star and the Crescent: China and the Middle East*, edited by James Rendon-Anderson, Oxford University Press, 2018, pp. 36-13, p. 13). In 2019, China imported 16.8% of its total crude oil imports from Saudi Arabia alone. (Workman, Daniel. »Top 15 Crude Oil Suppliers to China.« *World's Top Exports*, 2 December 2020, www.worldstopexports.com/top-15-crude-oil-suppliers-to-china/)¹⁴

(13) Yahya, Maha. «How Has China's Role in the Middle East Evolved?». Carnegie Middle East Center, carnegie-mec.org/26/09/2019/how-has-china-s-role-in-middle-east-evolved-pub79930-.

(14) «Oil and Gas Projects Led by Chinese Contractors in the Middle East Stand at US75,3\$bn.» GlobalData.

Figure 2

Top Ten Crude Oil Suppliers to China in 2020





GCC countries are among China's fastest-growing partners due to China's increasing import of oil and the many goods China exports to Gulf states. Chinese investments in the Gulf states were concentrated in energy, real estate and infrastructure development (Yahya, Maha. «How Has China's Role in the Middle East Evolved?». Carnegie Middle East Center, <https://carnegie-mec.org/26/09/2019/how-has-china-s-role-in-middle-east-evolved-pub79930->).¹⁵

China cooperates with the Gulf GCC states through investment funds. For example, in 2015, the UAE and China established a strategic investment fund of 10\$ billion between the Abu Dhabi Investment Group "Mubadala" and the China Development Bank (Oil and Gas Projects Led by Chinese Contractors in the Middle East Stand at US75.3\$bn.» GlobalData).¹⁶

On 28 March 2021, the UAE and China launched the joint project 'Life Sciences and Vaccine Manufacturing'. According to the announcement, the first line of manufacturing and production of COVID19- vaccines was inaugurated between the UAE's G42 Group and the Chinese CNBG Sinopharm Group. "The UAE and China today inaugurated a new chapter in their historic and distinguished relations, under the title 'Strategic Partnership for Humanity'", said Sheikh Abdullah bin Zayed Al Nahyan, the UAE Minister of Foreign Affairs and International Cooperation, during the launch of the project with his Chinese counterpart, Wang Yi in Abu Dhabi. In turn, Peng Xiao, the CEO of the UAE G42 Group, which oversaw Phase 3 trials of the Sinopharm vaccine in the UAE, said the initiative would "revolutionise the life sciences industry in the region over the coming years". ("Abdullah bin Zayed and the Chinese FM launch the 'Life Sciences and Vaccine Manufacturing in the UAE' project." Emirates News Agency (WAM), 28 March 2021, wam.ae/ar/details/1395302922203)¹⁷

(15) "Abdullah bin Zayed and the Chinese FM launch the 'Life Sciences and Vaccine Manufacturing in the UAE' project." Emirates News Agency (WAM), March 2021, 28, wam.ae/ar/details/1395302922203

(16) GMI Blogger. «UNITED ARAB EMIRATES POPULATION STATISTICS (2021).» Official GMI Blog, 3 June 2021 www.globalmediainsight.com/blog/uae-population-statistics/.

(17) Alterman, John B. «China, the United States, and the Middle East.» The Red Star and the Crescent: China and the Middle East, edited by James Reardon-Anderson, Oxford University Press, 2018, pp. 58-37, p. 42.



Approximately 200,000 Chinese nationals live in the UAE, constituting %2.11 of the country's total population (GMI Blogger. «UNITED ARAB EMIRATES POPULATION STATISTICS (2021).» Official GMI Blog, 3 June 2021, www.globalmediainsight.com/blog/uae-population-statistics/). Among those Chinese nationals living in the UAE are those who serve customers in Africa and Europe. Some prefer to trade with China in the UAE instead of travelling there (Alterman, John B. «China, the United States, and the Middle East.» *The Red Star and the Crescent: China and the Middle East*, edited by James Reardon-Anderson, Oxford University Press, 2018, pp. 58-37, p. 42).¹⁸

It is worthy to note that with the increase in Chinese goods in the UAE, major expansions have been made in recent years to Dragon Mart, a commercial mall for Chinese goods, on the outskirts of Dubai (Scott, Andrew. «Nakheel Triples Retail Space in Dragon Mart with Opening of Extension.» *The National*, 10 November 2015, www.thenationalnews.com/business/nakheel-triples-retail-space-in-dragon-mart-with-opening-of-extension1.29913-).¹⁹

Further, the Chinese government provides tens of billions (USD) of annual aid in loans and grants to many Middle Eastern countries, making China a partner in development and charity work, especially in economically unstable countries. In the summer of 2018, at a meeting of the China-Arab States Cooperation Forum (CASCF) in Beijing, China pledged US23\$bn in loans and development aid to the region. This identified the UAE's Khalifa Port, Oman's Duqm, Saudi Arabia's Jizan, and Egypt's Port Said and Ain Sokhna as critical projects that China will help develop in association with the Belt and Road Initiative (BRI) in the Middle East. («Oil and Gas Projects Led by Chinese Contractors in the Middle East Stand at US75.3\$bn.» GlobalData)²⁰

(18) Scott, Andrew. «Nakheel Triples Retail Space in Dragon Mart with Opening of Extension.» *The National*, 10 Nov. 2015, www.thenationalnews.com/business/nakheel-triples-retail-space-in-dragon-mart-with-opening-of-extension1.29913-.

(19) «Oil and Gas Projects Led by Chinese Contractors in the Middle East Stand at US75,3\$bn.» GlobalData.

(20) «The Great Well of China.» *The Economist*, 20 June 2015, www.economist.com/middle-east-and-africa/18/06/2015/the-great-well-of-china.



China is the largest foreign investor globally, its total investments abroad since 2005 exceeded two thousand billion (USD). In 2020, activity abroad declined due to the pandemic, but the numbers are expected to increase steadily.

The rise in trade volume is with the Middle East and is significant with many world regions. For example, Chinese trade with Central Asia rose to 46\$ billion in 2012, from 527\$ million in 1992. («The Great Well of China.» The Economist, 20 June 2015, www.economist.com/middle-east-and-africa/18/06/2015/the-great-well-of-china).

The Belt and Road Initiative

China is the largest exporter of goods globally and strives to make its markets more accessible to the Middle East, Africa, Europe, and America. For this purpose, it has established industrial cities and factories in many countries in the Middle East to be close to export destinations.

However, China is still expanding beyond the four points of the compass and flooding global markets with commodities and is no longer satisfied with the traditional sea and air routes and has moved to open highways through a transportation project inspired by the ancient Silk Road.

In 2013, Chinese President Xi Jinping launched the Belt and Road Initiative (also known as "One Belt, One Road") to connect China with the world through the largest infrastructure project in history. This initiative, built on the ruins of the ancient Silk Road, aims to connect Asia with Africa and Europe through sea and land transportation networks to increase trade and promote economic growth.

Traditionally, the Silk Road/ Silk Route is a historical road which used to extend from Chang'an (present-day Xi'an), the ancient capital of China, to Europe through Central Asia and the Middle East, and through which goods, most famously silk, were transported, it continued to flourish for centuries.



The new Silk Road, for which billions of US dollars of investment have been allocated, encompasses many countries from Europe to Central Asia and aims to build new railways, energy pipelines, marine roads and highways in Eurasia and make logistics services more rapid.

This road crosses three overland tracks—the first links China with Europe through Central Asia. The second extends from China to Central and Western Asia and the Arabian Gulf region to the Mediterranean. The third path runs from China to Southeast Asia, then South Asia to the Indian Ocean.

Last December, the export train travelled between Turkey and China, from Istanbul to the city of Xi'an, the journey took 12 days. The train travelled 8,693 kilometres through Georgia, Azerbaijan and Kazakhstan to China. It should be noted that the shipment of goods by land, via organised and regular railroads, could be more attractive due to speed, which is most desirable. If trains can accommodate larger containers than ships, it is also possible to use smaller containers more efficiently.

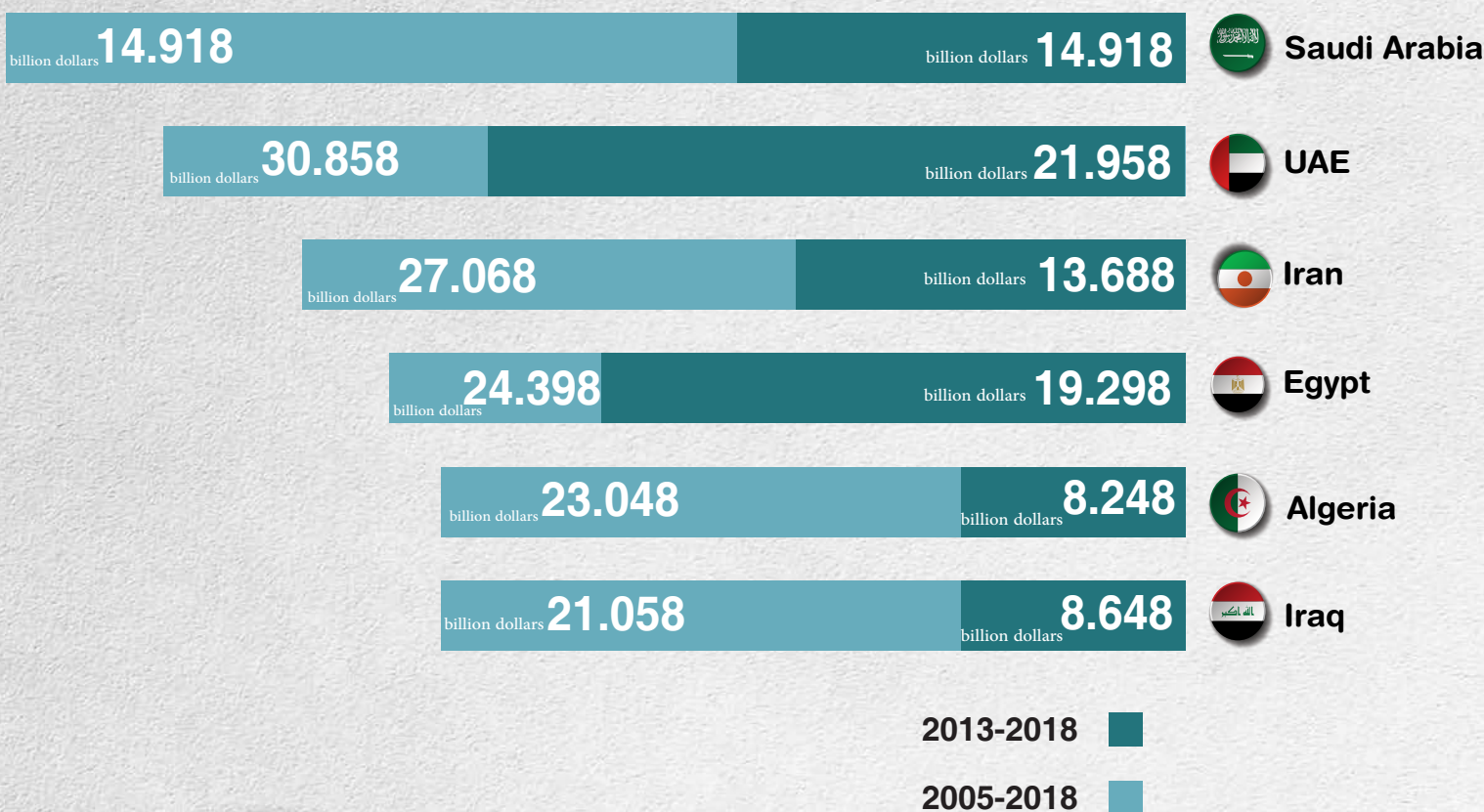
Chinese companies and factories plan to take advantage of the new Silk Road to reach Middle East markets in a more widespread and faster way, which would increase trade relations between China and the countries of the region, and thus Chinese presence in the coming years.

In his speech at the Sixth Ministerial Conference of the China-Arab Cooperation Forum in June 2014, the Chinese president explained his country's comprehensive strategy called '3 + 2 + 1', which is aimed at developing China-Arab economic relations in the fields of energy, trade and investment, in addition to the developing technology related to nuclear power, satellites and energy. The '3 + 2 + 1' strategy is linked to the potential and opportunities that the Silk Road may provide, with a focus on geoeconomics rather than geopolitical considerations (Sun, Degang. China's Soft Military Presence in the Middle East. MEI@11 ,75 March 2015, www.mei.edu/publications/chinas-soft-military-presence-middle-east).²¹

(21) Sun, Degang. China's Soft Military Presence in the Middle East. MEI@11 ,75 March 2015, www.mei.edu/publications/chinas-soft-military-presence-middle-east

Figure 4

Comparing China's Investments in MENA Countries Before and After the Belt and Road Initiative



Average Annual Growth Rate (AAGR) after the Initiative

39%

Source:
China's Global Investments Are Declining Everywhere Except for One Region, Foreign Policy, 16/5/2019



Second: Chinese military expansion

In the wake of the acceleration of trade and investment relations with the Middle East, China began to gain a soft military presence in many countries in the region. This military presence is due, in particular, to China's desire to protect commercial and investment interests. In this instance, Beijing cannot depart from the consistent Chinese approach to slowly and gradually progress towards higher-level relationships with the Middle East and thus influence the region.²²

China's military expansion is politically feasible due to Beijing's staunch adherence to the principles of non-alignment (Sun, Degang. China's Soft Military Presence in the Middle East. MEI@11 ,75 March 2015, www.mei.edu/publications/chinas-soft-military-presence-middle-east), respecting international boundaries and non-interference in the internal affairs of other countries. Of course, China's presence in the Middle East cannot be compared to that of America. The United States has several military bases, thousands of soldiers, and advanced equipment and weapons in the region.²³

Since elements of the Chinese navy was dispatched to Somali waters in 2008, China has launched joint anti-piracy exercises and naval visits to neighbouring countries and regions to exercise military diplomacy. It has also built interim technical service stops in Djibouti, Oman, Saudi Arabia, and Sudan (Sun, Degang. China's Soft Military Presence in the Middle East. MEI@11 ,75 March 2015, www.mei.edu/publications/chinas-soft-military-presence-middle-east).²⁴

(22) Sun, Degang. China's Soft Military Presence in the Middle East. MEI@11 ,75 March 2015 www.mei.edu/publications/chinas-soft-military-presence-middle-east

(23) Sun, Degang. China's Soft Military Presence in the Middle East. MEI@11 ,75 March 2015, www.mei.edu/publications/chinas-soft-military-presence-middle-east

(24) China opens the first international military base in Djibouti. Reuters, 1 August 2017. www.reuters.com/article/china-djibouti-na-4idARAKBN1AH3W9



Regarding the military presence in the region, gradual Chinese development has resulted in the first army base of Beijing in the Arab world, in Djibouti. Coinciding with the 90th anniversary of the founding of the People's Liberation Army, on 1 August 2017, Beijing inaugurated the military base, China's first outside its borders.

In 2016, China began planning the construction of the base to supply naval forces with ships to participate in peacekeeping and relief missions off the coasts of Yemen and Somalia. Chinese president Xi Jinping declared that it was nothing but a logistic base, knowing that to oversee a program to modernise the army includes the development of the military's capabilities to operate far from the country's borders. (China opens the first international military base in Djibouti. Reuters, 1 August 2017. www.reuters.com/article/china-djibouti-na-4idARAK-BN1AH3W9)

Port Sudan, which is located 675 km northeast of the capital, Khartoum, and due to the recent crises, it has been brought to the forefront and been a critical port for Russia, which found it as an opportunity to expand outside the Mediterranean, at the coasts that had experienced the military presence of Moscow previously, before the collapse of the Soviet Union. In line with the Chinese military expansion, Russia endeavoured to establish a naval base in Sudan, which began with the regime of Omar al-Bashir, resulted in an agreement to establish a base in Port Sudan, to serve as a vital foothold for the Kremlin in the Red Sea and its first base in the Continent of Africa. Under this agreement, Admiral Grigorovich arrived at the port last February to be the first Russian ship to dock in the harbour in Russian modern history.

The Russian-Sudanese agreement, which will last for over 25 years, was announced on 8 December, and aimed to "support peace and stability in the region", allowing Moscow to simultaneously send four ships and 300 personnel to the base to be established in the capital of the Red Sea State. Khartoum is considered a central gateway to Sudan and Africa. The agreement also gives Moscow the right to use Sudanese airports to transport weapons, ammunition, and equipment, to support the military base in Port Sudan. This significantly alleviates the need for long journeys and to traverse geopolitical fjords.



Port Sudan became a new focus of Russian-American competition after Sudan was removed from the State-Sponsored Terrorism list. But it goes beyond traditional US-Russian rivalry. Moscow, through its presence in Port Sudan, will be close to Beijing's base in Djibouti. Thus, the importance of the Russian base, which is not a large one, and of course smaller than the military base in the Syrian city of Tartus in the eastern Mediterranean, lies not only in being Russia's first base in Africa but also because it allows the arm of the Chinese-Russian alliance extend further in a strategically important region. It is present on the borders of Africa, near the Bab al-Mandab strait, through which about 700 billion dollars of global trade pass annually and millions of barrels of oil daily.

The Red Sea, and through the Bab al-Mandab Strait, which connects the Mediterranean with the Indian Ocean, passing through the Red Sea, has always been a critical destination from Alexander the Great to Napoleon to the present day. Consequently, the close cooperation between the Chinese and Russian powers in this region will have acute geopolitical effects, especially since Beijing has always stressed that a comprehensive strategic partnership with Moscow must be deepened internationally.

The significant political changes in East Africa, specifically in Sudan and Ethiopia, tempt economic, military, and political investment. Especially since the southern region of the Red Sea is in a complicated state, witnessing many conflicts, whether in western Yemen or eastern Eritrea, to the Bab al-Mandab region in Somalia. All of this would be a matter of grave concern for the United States and its allies, starting with economic files in the region, through global trade, and, of course, to security and military issues.

The Russian-Chinese-American military competition will make the Red Sea a 'mined area' in geopolitics, especially since military presence in political science is not merely a logistical presence but gives a political impetus, encouraging intervention in all affairs. When established, Russia and China are there, and military bases do not end except by significant events, as seen when the Soviet Union collapsed.



Third: China-US Conflict

The China-US conflict is now present in many elements of life worldwide; this is not similar to the American-Soviet conflict during the Cold War. The latter was dominated by a declared armed struggle, which almost led to a third world war and nearly armed allied regimes in each of the two alliances. Still, the China-US conflict is no less fierce behind the scenes, especially with the economic and security competition between the two countries and the mounting American fears of China on several fronts.

The difference between the Cold War and the China-US conflict is that one of the two sides of the latter conflict, specifically Beijing, does not speak out and does not defy forcefully, but rather slowly and with soft power move towards its development and expansion in the regions all over the world. Herein lies the problem of the United States, whose officials disagree on a unified approach to China.

Undoubtedly, Washington has had an endless debate among political elites, between successive administrations, about who is more dangerous to the United States, Russia or China, with a tendency to consider China the most dangerous competitor, as it is developing comprehensively, in the fields of economy, technology and arms as its influence expands in the world.

Non-stop Chinese development creates a problem in the relationship between Washington and Beijing. The ideological conflict between capitalism and communism has become a secondary idea that feeds US officials' warnings from China or leads Chinese officials to respond to US actions in general. The United States is concerned about China, the second most powerful economy, that extricates many economic roles from the United States, and it will likely remove the US from the top economic power in the world by 2028 after the American economy was five times larger than the Chinese economy in 2005.

The problem with China is that as it expands globally, it finds itself dependent more and more on regions of the world in which it has little influence and needs to develop into a system that others have influenced for decades.²⁵

In particular, as China expands, it finds itself in contact with the United States, which is neither a clear competitor nor a clear adversary (Alterman, John B. «China, the United States, and the Middle East.» *The Red Star and the Crescent: China and the Middle East*, edited by James Reardon-Anderson, Oxford University Press, 2018, pp. 58-37, p. 37). One of the theatres of the American-Chinese conflict is the Middle East, where China is constantly expanding in trade and investment relations, accompanied by a slight but steady military expansion, which worries the United States, as it has the most decisive influence in the region, especially in the Gulf states.

American influence differs from that of China in the Middle East, in size or motive, considering that the United States has historical relationships with countries in the region that stretch back decades, and the presence of a central pillar pulling Washington towards the Middle East, Israel.

Although China began years ago with narrow interests, it has dramatically developed its relations with Washington's allies and US archenemy Iran. According to the figures we presented earlier, this relationship poses a threat to the interests and influence of the United States. Washington is facing a Chinese strategy that focuses on importing oil from the region and, at the same time, exporting large and complex investments. Therefore, it differs from Washington's approach to Arab oil and its work to benefit from it over the past decades.

(25) Alterman, John B. «China, the United States, and the Middle East.» *The Red Star and the Crescent: China and the Middle East*, edited by James Reardon-Anderson, Oxford University Press, 2018, pp. 58-37, p. 37.

In the same context, some observers attribute China's growing interest in the Middle East to the fact that Beijing is reacting to the US policy of rebalancing in Asia, which the Obama-led administration announced in 2012 (Scobell, Andrew, and Alireza Nader. *China in the Middle East: The Wary Dragon*. RAND Corporation, Santa Monica, Calif., 2016, p. 1). That administration made rebalancing in Asia a priority in its foreign policy. It worked to strengthen defence alliances and military cooperation with countries in the region amid the growing military power of China²⁶

Following in the footsteps of Africa

Competition between China and the United States in the Middle East is very similar to what happened and is still happening in Africa, between Beijing and Washington, where the struggle for influence rages on the continent. To understand the difference between American and Chinese strategies is helpful to go over some facts, given that Arab African countries represent a part of Africa as a continent.

Africa, the second-largest exporter of crude oil after the Middle East, is one of the wealthiest continents in the world in terms of the volume of natural resources and precious raw materials. It owns %10 of global reserves of oil, %8 of natural gas reserves; in addition to that, it produces %80 of the world's platinum, more than %40 of its diamonds, and %20 of its gold and cobalt.

China has created a reciprocal relationship with Africa based on Beijing taking raw materials and providing growth in return. Beijing has stressed on many occasions that it is interested in enhancing Africa's development capacity. Consequently, China immediately rushes to flush each city that displays security, stability, and investment possibilities with Chinese products in addition to commercial and development projects.

(26) Scobell, Andrew, and Alireza Nader. *China in the Middle East: the Wary Dragon*. RAND Corporation, Santa Monica, Calif., 2016, p. 1.



On the way from the ports of southern China to the Indian Ocean, there is an unbroken line of ships queuing, as some cross Bab al-Mandeb, others land on the south coast, or cross the Cape of Good Hope to the east, then travel goods travel overland through and to dozens of countries, making China the largest trading partner of Africa.

The United States, too, has its way to Africa, across the Atlantic. But the most powerful country in the world differs in how to treat Africa from China. The difference is in the strategy. Washington takes multiple paths, ranging from politics and military to economics, while Beijing has one economic track with a step-by-step military growth. The Chinese 'invasion' of Africa baffled the United States for years. In 2011, former US Secretary of State Hillary Clinton expressed, in rhetorical terms that are closer to poetry than to politics, during her visit to Zambia, the need to 'invest in people' and that investors should not undermine the good governance and natural wealth of African countries ("China ridicules Clinton's claims that Chinese influence in Africa may lead to neo-colonialism." BBC Arabic, ²⁷ 4 June 2011, ²⁸ https://www.bbc.com/arabic/worldnews/110614/06/2011_clinton_africa_china). In a contrasting approach, China's silent investments in Zambia amounted to 3.15\$ billion between 2005 and 2011 (China Global Investment Tracker - AEI. www.aei.org/china-global-investment-tracker/) with thousands of job opportunities being created.²⁹

(²⁷) "China ridicules Clinton's claims that Chinese influence in Africa may lead to neo-colonialism.

" BBC Arabic, June 2011, 4,

https://www.bbc.com/arabic/worldnews/110614/06/2011_clinton_africa_china

(²⁸) China Global Investment Tracker - AEI. www.aei.org/china-global-investment-tracker/.

(²⁹) "Trump: Africans need a return to colonial rule ." Al Jazeera Net, February 14, 2016,

<https://bit.ly/3xRx2a5>



However, with Republican President Donald Trump, America's influence in Africa was reduced. While running for president, and after his bitter mockery of refugees, Muslims and Arabs, Trump opened fire on Africans, saying that they "need to be recolonised for another hundred years because they know nothing of leadership and independence," describing them as "lazy, stupid, glutton for food, obsessed with sex and violence." people ("Trump: Africans need a return to colonial rule ." Al Jazeera Net, 14 February 2016, <https://bit.ly/3xRx2a5>).

Of course, the escalating role of China in Africa also suggests an increase in Chinese influence in the Middle East. There is also the economic and geopolitical overlap between the Middle East and Africa to consider. On the other hand, some observers see that the comparison between Chinese influence in both the Middle East and Africa as unfair because the countries of the Middle East have significant interests in the West, as well as an economic relationship with the global system, including the banking system, unlike many African countries that will not suffer the loss of critical interests with the West in exchange for a fruitful relationship with China.



Fourth: Expectations of the development of Chinese influence

In considering the international relations and the paths of formation and expansion of the leverage of significant countries, expectations that give more sense and functional analysis are based on the pattern that the target state has always followed, and the events, statistics and figures that accompany this pattern, and their regularity in specific frameworks.

Regarding Chinese relations with the Middle East states and the consequent Chinese influence in the region, it is difficult to make any predictions for the future, based on the consistent approach in developing those relations, including all kinds of trade and investment ties. The question must be put forward: How far will ties between China and the Middle East go, and thus Chinese influence in the region?

Nevertheless, in the foreseeable future, it does not seem that there are clear reasons that will stop the gradual rise in the volume of trade and investment except in temporary exceptional cases, as has happened with the spread of COVID19- in 2020 which disrupted global activity as a whole. Chinese activity in the Middle East soon was refreshed after a few countries managed the pandemic (to an extent) due to vaccination campaigns.

As a result, within the framework of stable development, which did not reduce in previous decades, it is expected that the Chinese presence in the Middle East will continue to increase gradually, which means that it is deepening the process of networking within public and private sectors in the region's countries.



The development in trade relations, the volume of investments and the expansion of networking ties with the governments in the region will gradually develop into more Chinese influence, first economically, then politically, and militarily.

Suppose the Chinese soft military power was created in the region to protect commercial and investment interests. In this case, it is expected that China will proceed with such an approach, especially with the expansion of its network of relations and frameworks in various countries of the region, with the possibility of developing cooperation in military industries and joint exercises, or Chinese military initiatives in the territories of the Middle East. All of the above indicates the impending increase of Chinese influence in the Middle East significantly.

The escalating trend of the Middle East geostrategic role for China is illustrated in the Chinese analysts' use of the term 'Greater Middle East', which includes, in addition to the traditional Middle East, parts of Central and South Asia (Scobell, Andrew. «China's Search for Security in the Greater Middle East.» *The Red Star and the Crescent: China and the Middle East*, edited by James Reardon-Anderson, Oxford University Press, 2018, pp. 36-13, p. 33).³⁰

(30) Scobell, Andrew, «China's Search for Security in the Greater Middle East.» *The Red Star and the Crescent: China and the Middle East*, edited by James Reardon-Anderson, Oxford University Press, 2018, pp.36-13, p. 33.



On the other hand, China may try to stick to its historical approach of a policy of non-alignment, non-interference, and of course, not clashing with any other power, as in the case of American leverage in the Middle East. China is a strong country, but it does not act like one in the Middle East (SCHENKER, DAVID. «China's Middle East Footprint.» Los Angeles Times, 26 April. 2013, www.latimes.com/opinion/la-xpm-2013-apr-26-la-oe-0426-schenker-china-middle-east-20130426-story.html), it tries to avoid that which may hinder its trade and investments.³¹

A researcher at the Chinese Academy of Social Sciences, Ying Gang, comments that even if China becomes a superpower, with an economy comparable to that of the United States, "it will not play a major role in the Middle East." (Wong, Edward, and Chris Buckley. «China Dips a Toe into Middle East Peace.» The New York Times, 8 May 2013, www.nytimes.com/09/05/2013/world/asia/china-dips-a-toe-into-mideast-diplomacy.html). Current facts support this view. It can be concluded that China is still cautious in the Middle East. According to observers, it acts as a heavyweight in the economy, a lightweight in diplomacy, and a featherweight in the military.³²

(31) SCHENKER, DAVID. «China's Middle East Footprint.» Los Angeles Times, 26 Apr. 2013
www.latimes.com/opinion/la-xpm-2013-apr-26-la-oe-0426-schenker-china-middle-east-20130426-story.html.

(32) Wong, Edward, and Chris Buckley. «China Dips a Toe into Middle East Peace.»
The New York Times, 8 May 2013,
www.nytimes.com/09/05/2013/world/asia/china-dips-a-toe-into-mideast-diplomacy.html.



Conclusion

What does China want? Which view will reflect the reality? Will Chinese influence increase significantly in the Middle East, or will it not play a significant role in the future?

Indeed, through its state-owned companies or private ones, Beijing will not hesitate to continue expanding its relations with the public and private sectors in the region. In contrast, according to what we previously mentioned, trade relations are expected to escalate gradually, as has happened in recent years—knowing that entering new economic partnerships and sustainable development projects would pave the way to strengthen relations while establishing additional ties.

Moreover, suppose China can control its pressure on the region's countries, politics, and military presence. In that case, it can reduce its trade and investment relations, with the accompanying soft military deployment in the region? It isn't easy to achieve because controlling the degree of developing influence is not easy. The Middle East has become a vital region for China, as a trading partner, and as a significant source of oil. In addition, according to Chinese considerations, the region has become linked to the broader circle of counties and its economic and security stability.

Undoubtedly, Beijing's gradual transition from one stage to another in its relations with the Middle East, especially from the stage of attracting merchants to the stage of marketing on the ground, and then aggressively rushing towards the new Silk Road, massive investments, and significant partnerships, as well as developing the military presence, whether it was through soft power or a military base in Djibouti, are all indications that traditional China, which used to subscribe to neutrality or to have trade relations only, is likely to be ending.

The world is witnessing a new Chinese strategy based on massive and advanced production progress in various economic, technological and security fields while entrenching itself in new locations. This strategy, which will place the country on the economic throne of the world for several years, poses a new reality that Beijing cannot ignore its will to win its political- if not military- gains, all over the world, including the Middle East.

At the very least, therefore, China is expected to become more involved in diplomatic and military activities in the region, leading to the possibility of building alliances and seeking to establish new military bases.

In parallel, China has a political axis, including Russia and some allies in the Middle East or beside China. None of these axis components constitutes real competition for China to strengthen trade and investment relations with the Middle East.

Russia is trying to build new partnerships and expand its trade relations in the region. For example, its trade relations with the UAE saw a strong push in June 2018, when Russian President Vladimir Putin and Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed Al Nahyan signed the declaration of the strategic partnership between the two countries in Moscow. The decree stipulated "the establishment of a strategic partnership for the existing relations between the UAE and Russia, including the political, security, commercial, economic and cultural fields, in addition to the humanitarian, scientific, technological and tourism fields." The declaration also promoted "dialogue and consultations on major bilateral, regional and international issues of mutual political interest."³³

Despite the spread of COVID19- in 2020, which caused a great stagnation in the movement of trade globally, the trade exchange between Russia and the UAE continued to progress, as Lavrov announced last December, that during the nine months of 2020, the volume of trade exchange between the two countries increased by more than %60. But these relationships with Russia will not compete with China's economic invasion of the Middle East, and therefore will not threaten China's interests. On the contrary, whenever it remains within specific and limited frameworks, it will be in the interest of Beijing, Moscow's ally in many political files, and most importantly, the joint alliance in confronting Washington.

(33) The declaration stipulated "the establishment of a strategic partnership for the existing relations between the UAE and Russia, including the political, security, commercial, economic and cultural fields, in addition to the humanitarian, scientific, technological and tourism fields." The declaration also promoted "dialogue and consultations on major bilateral, regional and international issues of mutual political interest."



Some observers believe that the tendency to think that Chinese influence will increase in the Middle East reduces America's military and diplomatic affairs influence. Yet, no single external government can be more significant unless the competing one declines. Of course, China will not try to provoke the United States directly. It has stated its primary goal as economic expansion, and its policy is based on significant deliberation and long-standing policy. This approach has worked in the past and is expected to yield positive results in the future, even in the face of American influence.




Some obstacles to the expansion of China are represented in the desires of Middle Eastern countries themselves and the extent to which Washington can pressure them to 'halt' Chinese projects, thus putting an end to the rise of Beijing's leverage. This is now in favour of the United States, which has for decades built close structural relations with the countries of the region, particularly the Gulf states. At the same time, it is unlikely that the latter will tend to provoke the American administrations or take the risk of conflicting with global arrangements of which it is a part or with systems controlled by them, including international banking.

The bottom line is that Washington is working to confront Chinese power in the Middle East. At the same time, it is burdened with political files, in contrast to Beijing's pragmatism, as it still places its priority in the economy and trade, not caring about the identity of the government and the nature of the regime, and perhaps with a small margin for politics to use if its role in the Security Council necessitates.



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