

A COMPARATIVE ANALYSIS OF CHINESE AND US MIDDLE EASTERN POLICY OBJECTIVES AND THE SCOPE OF DIVERGENCE VS CONVERGENCE

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ABSTRACT

Middle East with its richness of oil has been increasingly valued as an epicenter of global geopolitics since the discovery of oil. The major objective of the great power; United States and European Nations since the beginning of 20th century and China recently, has been to sustain some level of stability in the region so that oil production and its supply remain uninterrupted. Its economic attraction and the political turmoil spearheading intermittently has intrigued the regional and the international stakeholders. Its fame as the world's most volatile region, has remained a great reason for its relevance and importance in international politics. Its value is also ascertained by the fact that the said region has always remained the prime area of focus in US foreign policy. Middle Eastern policy of both China and USA posits an insightful review of the regional politics and how international powers are going to safeguard their relative interest and how both value the stability of the region accordingly.

Key Words: China, USA, Middle East, China's Middle East Policy, US Middle East Policy.

INTRODUCTION

The Middle East has remained one of the most important regions, yet its value in contemporary times has been increasing manifolds due to the economic potential the region holds and the opportunities it offers to near and outer world. Its characterization as a region with complex alliances, conflicts and strategic geo-political and geo-economic interests, couples with the involvement of major powers, such as USA, and China, has greatly influenced the region's dynamics. Both, China and USA have pursued different economic, political and strategic policies in the Middle East region. Yet, the intensity of their engagement verifies the importance of the region for both the states.

USA for almost a century has acted as an influential actor in the region. The importance of the region to the US is evident from the fact that it has remained in the forefront in USA's list of 'area of interest'. It has tried to maintain its presence and sustain influence through various allies and direct

involvement. While it's major objectives in the region were to ensure the security of oil supplies, counter the threat of terrorism, and support/securing its allies in the region. The region's geopolitical dynamics have been arch typically shaped by US military interventions, diplomatic initiatives, economic aid and assistance. But over the past few years the shift in the energy markets and domestic political conditions have led to the restructuring of the US policy in the region.

With China's rising power status and association of its as a challenger to the US, the region holds much promise in economic venture and thus the region is attributed great value in its economic policy. The regional actors have also reevaluated their positions and roles in the Middle East and around the globe as well. Focusing primarily on energy security and economic cooperation, China has expanded its engagement to include diplomatic initiatives, infrastructure projects and investments

and participation in regional security frameworks. China's Belt and Road Initiative and Maritime Silk Route are a cornerstone of Chinese approach towards economic development, integration, while simultaneously increasing influence in the region.

Though, both China and USA view their major interests differently in the region they also share some common objectives, such as maintaining stability, countering terrorism and safeguard of their respective interests. USA has at points also considered Chinese growing interest and presence in the region as a challenge to its hegemony, which China has refuted time and again. Their differences in strategy, method of engagement have often resulted in competition and occasionally in cooperation in the region.

By analyzing their policies in the Middle East, the research paper seeks to evaluate the underlying motives, dynamics, convergences, and implications of engagement in the region. The paper, by providing a comparative analysis of their policies in the region tries to draw an insight into the evolving geopolitical landscape of Middle East. It also provides an important review of the complexities of the Middle Eastern politics. Thus, the paper in doing so tries to answer the following questions; what are the major policy objectives of China and USA in the Middle East? what are the major points of convergences for China and USA in the region? and finally, what are the challenges to both in the region?

Background

Owing to its oil reserves, strategic location and political dynamics the Middle East has for long been the focal point of geopolitical engagement and diplomatic associations and has attracted the attention of great powers seeking to change the outcomes and course of events in relevance to their own interests in the international stage. In historic terms, the region has attracted the attention of many powerful states as Britain, France, Russia, USA and now China. It's important also can be traced back to history where the region homes the world's oldest Mesopotamian, Babylonian and Persian civilizations. It is worth mentioning at this point that the region in this context has also been home to the

ancient world's great powers. And in the contemporary world, houses major powerful states, as nuclear-powered Israel, world's largest oil producers, and states such as ambitious Iran, who have posed a serious challenge to US and its authority in the region.¹

The tale of USA and Middle East engagement dates back to over two centuries, during 1767. When Boston and Smyrna (ancient city in Turkey) established their commercial contact. By 1820s American missionaries established religious missions focusing on education and philanthropy. Thus, making it easier to claim that the American Middle East engagement before the World War I (WWI) was more commercial. With the fall of the Ottoman Empire after WWI, the Middle East remained under the influence of European powers. While America at the time was grounded deep within its policy of isolationism, hence showed little interest in international politics and international affairs. Later, with the US entry into the world affairs after the Pearl Harbor incident during the Second World War (WWII) in 1941.²

After WWII, the cold war confrontation between the Communist threat and USA also manifested itself influence in the Middle East. Where, right after the WWII, countering the threat of Communism became USA's prime objective and interest in the Middle Eastern region. With the end of the cold war and rise of USA as the sole superpower of the world, its foreign policy began to be identified with 'Hegemony, leadership, primacy, and Military power'. The US goal in the region became the security of access to oil reserves and free and open passage ways for trade. This interest led the US to be more involved and took within its purview the need to maintain security and stability in the region. The third policy option that the US pursued was the Israeli question and its sovereignty.

The US interest in the region did not stop but continued to expand owing to the growth of interest, direct involvement, and international concerns as security after the terrorist attack on US itself. The expansion went on to include strategic access to oil reserves, protection of US allies, particularly Israel and its sovereignty, presence of

¹ Shahid Hussain Raja, "Comparing Middle East Policies of the USA and China," *Linkedin* (August 12, 2023), <https://www.linkedin.com/pulse/comparing-middle-east-policies-usa-china-shahid-hussain-raja>

² Tareq Ismael, *International Relations of the Contemporary Middle East: A Study in World Politics*, (Syracuse, NY: Syracuse University Press, 1986), 135-36.

military bases, countering terrorism, limiting the spread of Weapons of Mass Destruction (WMD), maintaining stability and security through the support of US friendly regimes and suppression of nationalist movements.³

China and Middle East both have a rich civilizational background and history, dating back to approximately 2000 years. During the Han Dynasty in China. Their relations and engagement in ancient times was based on economic motives. Trade and commerce became the cornerstone of their relations through the Ancient Silk Road, through which they traded in valuables such as Jade, Silk and other commodities.⁴ Their relations in contemporary times, after China's formation in 1949, have remained to a minimal, where the Middle East has been of little interest to China.

China, like other states around the world had faced colonialist and imperialist designs and influence, thus opted to safeguard its territorial integrity and sovereignty. In doing so it also advocated for the safeguard of sovereignty and integration of other states from intervention of other powerful states. In the same view China supported the Palestinian cause in the Middle East and its liberation. This Chinese step came with the background that in January 1950 Israeli Foreign Minister announced intentions to recognize China and establish diplomatic relations with China. Which was readily refused by the Peoples Republic of China (PRC), due to Israel's illegitimate occupation of Arabian territory. This step later became a cause for its establishment of relations with Egypt in 1956 for the first time. However, monarchies in Middle East, which were already apprehensive of rising nationalism within their home countries, remained reluctant to extend diplomatic contact with China.

After 1978, Deng Xiaoping shifted China's engagement approach from ideology to economic exchange and relations. It was initially difficult to expand trade and economic linkages within the

Middle Eastern market because of European, and American products monopoly. Trade with Middle Eastern states though was limited due to the lack of diplomatic ties with the states but bilateral trade indicators showed steady increase and positive signs. By 1992, China established diplomatic relations with all states in the Middle East, and in 1993 China became the biggest importer of petrochemicals from the region.⁵

China's growing economy and energy needs required it to look for options to sustain its growth. Middle East presented the most suitable option, from where China could ensure its energy import and export of its commodities to Middle Eastern markets. Thus, after 2001 most of Chinese investment went to Middle East, paving the way for more diplomatic engagement. Until 2010 their relations primarily remained focused on the economic domain. Many during this phase of Chinese engagement referred to it's a 'free rider', taking benefit of US provided security in the region. Its policy approach focuses on setting the ground for itself and maintaining a low profile.⁶

China's recent, increasing interest in the Middle East, many argue, is also a consequence of US "Pivot to Asia" policy. By means of which, US intended to increase its influence in Asia, improve ties with regional countries in the hopes of reducing China's increasing influence in the East Asian region. In response to which, China formulated its "March East" policy. Grounded in the logic that more the China would resist the US influence and rivalry in the East Asian region, the more the chances of engaging in hostility with the US. While other analyst has also pointed out that China's move towards Middle East is a means to occupy the vacuum, US left in the Middle East.⁷

China in the Middle East

China has sought to remain on friendly terms with all states in Middle East. While at the same time has

³ Atallah S Al Sarhan, "United States Foreign Policy and the Middle East," *Open Journal of Political Science* Vol 7, No. 4 (October 2017), 456-459, DOI: 10.4236/ojps.2017.74036

⁴ Suhail Ahmad Khan, "China's Increasing Influence in the Middle East," *E-International Relations* (September 20, 2021), 1.

⁵ Xiaodong Zhang, "China's Interests in the Middle East: Present and Future," *Middle East Policy Council*, (1998).

⁶ Century," *World Economics and Politics* No. 7 (2019), 117-122. (pp. 106-130.)

⁷ Assaf Orion, et. al., "China's Middle East Policy: Between Continuity and Change," in *Strategic Survey for Israel 2016-2017* ed. Anat Kurz and Shlomo Brom, (Tel Aviv: Institute for National Security Studies, 2016), 81-82. (81-91)

proceeded with care in entangling itself in security and/or conflictual affairs of the region. It has adopted a more cooperative interaction with the Middle Eastern states, depending more on economic engagements and trade, which mutually benefits each other. Due to this approach China has become an “economic heavy weight”.⁸ China’s approach in the region focuses on three main elements. Firstly, China aspires to maintain good and friendly relations with any country in the region and has maintained to abstain from any sort of preferential treatment. Secondly, its interest in the region is driven by economic motives, hence economic activities and engagements have overshadowed China’s engagement in the region. Thirdly, China does not seek to antagonize the US and showed no interest in posing challenge to US hegemonic status in the region.⁹

China’s Interest and Activities

China’s interest and activities in the Middle East reflect its strategy and foreign policy approach. The investigation of its interest and activities helps in identifying trends of China’s involvement in the region. Which shall be considered in the domains of diplomacy, economic activity, and military interaction.

Diplomatic

Upholding the principal policy of “win-win cooperation”, China has tried to maintain cordial relations with all states in the region. Chinese diplomatic engagement with the region was established with all states by the 2000, but an increase and active engagement started to peak in 2009 and 2016. When in 2009, Yang Jiechi, Chinese Foreign Minister, made five separate trips to seven states. Later, in 2016 President Xi Jin Ping paid state visits to Saudi Arabia, Egypt and Iran. While his foreign minister, Wang, traveled to Qatar and Turkey the same year.¹⁰

Chinese policy expert on Middle East, Sun Degang, points out that China’s policy divides the countries in the region into four categories namely, Pivotal States, Nodal States, Key States and Stronghold States. The first category includes states that are of vital importance to China, in materializing their political, security, and economic influence, particularly its BRI project. These include Egypt, Saudi Arabia, Iran and UAE. The nodal states, includes states that serve as bridges between China and other great powers such as Turkey and Israel. As Israel presents as an opportunity for China to maintain links with European Union and the USA. The third category, key states, includes states such as Iraq. Due to its large territory, population and potential for growing economic ties with China. The last category, includes smaller territorial states, with smaller population and limited economic opportunities such as Qatar, Oman, Jordan and Kuwait.¹¹

Additionally, China in 2002 named a special envoy to the Middle East which was later followed by the formation of China-Arab Cooperation Forum in 2004. China has also shown interest in the Israel-Palestinian conflict and proposed for a peace deal in 2013. Keeping low profile and limiting its involvement in conflictual matters, it has at the same time kept its distance.¹²

Recent China’s mediation of Iran-Saudi friendship deal in March 2023, has been a great turn of events in the history of the region. Many claim that China’s engagement and role as a mediator for the first time signifies the growing influence of China verses USA, who has traditionally been seen as a de facto security provider and guarantor. It has also been perceived as a symbol of reliability and trust shown by the Middle Eastern states in China verses USA. However, China made clear of pursuing no action to intimidate or challenge US role in the region or elsewhere.

⁸ Scobell and Nader, “Marching Westwards,” The Rebalancing of China’s Geopolitical Strategy,” *Global Times*, October 17, 2012.

⁹ Henrik Stålhane Hiim and Stig Stenslie, “China’s Realism in the Middle East,” *Survival*, Vol. 61, No. 6, 2019.

¹⁰ Andrew Scobell, “China’s Search for Security in the Greater Middle East,” in *The Red Star and the Crescent: China and the Middle East*, James Reardon-Anderson, ed., (London: Hurst Publishers, 2018), 18

¹¹ Sun Degang, “On China’s Partnership Diplomacy Towards Middle Eastern Countries in the 21st Century,” *World Economics and Politics* No. 7 (2019), 117-122. (pp. 106–130.)
¹² Sun Degang, “On China’s Partnership Diplomacy Towards Middle Eastern Countries in the 21st Century,” *World Economics and Politics* No. 7 (2019), 117-122. (pp. 106–130.)

Economic

Economy is the primary driver of Chinese interest and foreign policy across the world and similarly manifests in the case of Middle East. China proposed that its approach in the region is based on its “peace through development”.¹³

The Middle East plays an outsized role in oil trade, in 2018 20% of oil exports from the Middle East went to China, with an additional 11% of liquefied natural gas exports. At the same time Chinese goods with the regional countries amounts to an average of 60% annually.

Other than oil, commodity export to the region also forms a considerable part of their economic exchange. Though it accounts for most of China’s exports, according to which China’s manufactured items are exported almost 90% annually. Among the different types of materials, machinery and transport material account for the major part of the trade.

Considering the trade balance the distribution of exports and imports varies significantly across countries. Examining the yearly averages spanning from 2009 to 2018, it’s evident that a substantial portion of Yemen’s exports (38.3%), Oman’s exports (36.8%), Iran’s exports (22.1%), and Iraq’s exports (17.8%) were directed towards China, consistently surpassing 20% from 2014 to 2018. Saudi Arabia and Kuwait also had noteworthy percentages, with 13.9% (rising to nearly 15.6% in 2018) and 11.7% (peaking at 21.4% in 2018) respectively. These figures clearly underscore China’s significant importation of energy products from the region.

Conversely, imports from China constituted over 10% of total imports annually for nine countries throughout the decade: Iran (29.5%), Yemen (17.6%), Syria (17.0%), Egypt (14.5%), Jordan (14.4%), the UAE (11.9%), Saudi Arabia (11.7%), Iraq (11.6%), and Israel (10.8%). In most cases, except for Jordan and the UAE, the proportion increased significantly by the decade’s end compared to the beginning, indicating China’s expanding trade influence in the region, even in countries where

Chinese imports initially accounted for less than 10% of total imports.¹⁴

Investment and Construction

Chinese investment in the world have grown many fold since the 2010s. Its engagement in Middle East in investment and developmental projects from 2009 to 2018, amounted to about 48 in number and around \$40.9 billion in worth. Out of the 49 projects 31 are associated with BRI and 30 of the total have progressed into the second phase of their development.¹⁵

The energy industry has accounted for over three-quarters of the value of Chinese investments in the region. This represents China’s top priority in terms of economic participation as well as the comparative advantage and resource base of the region. The countries that have gotten the widest range of investments are the UAE, Israel, and Turkey. Not only has energy been invested in, but also banking, logistics, technology, and autos. While Israel has not gotten any energy-related investments, it has received funds for advanced manufacturing, technology, healthcare, and agriculture. China is trying to improve its own economy and move away from export sectors and manufacturing and toward innovation industries and consumption, and these investments show that it is trying to learn from Israel in this regard. Although, energy has accounted for the majority of investments made in the UAE, tourism.¹⁶

Chinese companies have worked on 214 construction projects totaling \$123.7 billion between 2009 and 2018 in the region. 142 of these projects were BRI based projects while 137 of these were started after 2014. It accounts for 15 percent of Chinese investment worldwide. Many of these projects are in the energy sector in 11 countries including Israel. In KSA 49 China based construction companies are working on agriculture, energy, logistics, real estate, transport and education etc. In UAE, 37 companies are working on agriculture,

¹³ Wang Bo and Yao Quan, “Research on the Formation of China’s Middle East Diplomatic Thinking in the New Era,” *Arab World Studies*, No. 2, 2019, 90.

¹⁴ Becca Wasser, “Crossroads of Competition: China, Russia and the United States in the Middle East,” (California: RAND Corporation, 2022), 34-36.

¹⁵ Ahmed Mousa Jiyad, “Comment & Analysis: The Economics of Iraq Oil Investment,” *Iraq Oil Report*, December 9, 2009

¹⁶ American Enterprise Institute and Heritage Foundation, “China Global Investment Tracker”, (April 11, 2020).

energy, health, technology, tourism, consumer goods etc.¹⁷

The significance of the Middle East is highlighted in official Chinese publications regarding the Belt and Road Initiative (BRI), both in documents from 2015 and 2019. These documents emphasize why the region has been a focal point for Chinese construction projects. Specifically, the Middle East serves as the terminus for the China-Central West Asia Economic Corridor, which was among the initial six economic corridors introduced by China in 2015.

Military

China has limited its engagement in the region when it comes to conflicts and disputes. It has adopted the policy of non-alliance and has maintained a light military footprint in the region. China itself views its role as a neutral and stable entity present in the region, focusing its efforts on multilateral engagements based on cooperation and mutual benefits. While at the same time China aims for stability in the region, as it takes into consideration the region's volatility and potential chances of terrorism's spillover effect from the region to China and other parts of the world.¹⁸

China at the same time tries not to alienate the US role as a security guarantor in the region, while it continues to rely on the US provided security. Some of its activities in the military and security domain are its arms sales and security cooperation. Its involvement in arms sales to the region is relatively modest. China's primary clients have included Iran, Saudi Arabia, the UAE, and Turkey, although sales have not remained consistent over the years. From 2009 to 2018, China experienced peaks in arms sales in 2009, 2010, 2017, and 2018. Initially, sales were directed towards Egypt, Iran, Syria, and Turkey, with lesser activity in Saudi Arabia. Sales to Syria ceased in 2011 due to the onset of civil war.

Subsequently, China adjusted its focus within the arms market of the Middle East, carving

out a niche primarily in the sale of armed unmanned aerial vehicles (UAVs), such as its domestically produced Wing Loongs. This specialization emerged after the United States declined to sell armed drones to several Gulf States due to constraints imposed by the Missile Technology Control Regime (MTCR). Consequently, these states turned to Beijing for such equipment.¹⁹ While Chinese technology may be perceived by some as lower in quality and reliability, it is often accompanied by incentives like gifts, donations, and flexible payment options.²⁰

Furthermore, Chinese arms exports tend to come with fewer end-use restrictions and are subject to less rigorous monitoring compared to competitors' exports. This aspect appeals to customers with limited access to alternative sources of military equipment due to political or economic reasons. As a result, China has capitalized on the U.S. reluctance to supply these weapons by selling armed UAVs to countries such as the UAE, Jordan, Saudi Arabia, and Egypt. Sales to the UAE commenced in 2013, and sales to Saudi Arabia resumed in 2015. Additionally, China has seized opportunities presented by Saudi Arabia's ambition to bolster local weapon manufacturing under its Vision 2030 plan, agreeing to establish a factory in the country to produce CH-4 UAVs.

Qatar has emerged as another significant client, particularly amid shifting geopolitical dynamics in the region and the onset of the Gulf rift, with arms sales beginning in 2017. By 2018, Qatar surpassed Saudi Arabia and the UAE as the largest recipient of arms from China, acquiring more than double the amount purchased by its Gulf Cooperation Council (GCC) counterparts.²¹

In terms of security cooperation, China again has maintained a modest level of engagement in the region overall. Though between 2015 and 2016 their official visits from security personals increased. In 2016, Chinese security officials paid four visits to Egypt, Iran and Saudi Arabia. Though defense collaboration frequently occurs at levels below top leadership. For instance, in 2010, there was a

¹⁷ Becca Wasser, "Crossroads of Competition: China, Russia and the United States in the Middle East," (California: RAND Corporation, 2022), 40-42.

¹⁸ Ibid., 42.

¹⁹ 2 Natasha Turak, "Pentagon Is Scrambling as China 'Sells the Hell out of' Armed Drones to US Allies," *CNBC*, February 21, 2019.

²⁰ Office of the Secretary of Defense, "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2019," *U.S. Department of Defense*, (2019), 28

²¹ Christopher Diamond, "China to Open a Drone Factory in Saudi Arabia," *Defense News*, March 28, 2017.

delegation exchange between Chinese military representatives and Israeli Defense Forces officials, and in 2018, high-ranking officers from the Chinese People's Liberation Army (PLA) Army, Navy, and Air Force visited Tehran. Reciprocal visits have also occurred, with delegations from the region traveling to China.²²

China has also engaged in military exercises in the region, with Iran and Saudi Arabia. Its exercises with Saudi Arabia involve counter terrorism drill while with Iran it has engaged in Naval exercises in the Persian Gulf in 2014 and 2017.²³

Areas of Competition

The rising China has by many taken up as a challenge to US hegemony in the world, as so has its influence in the Middle East in the recent times considered as a challenge to US interest. Meanwhile its presence in the Middle East has also been treat as a Chinese effort to fill the gap the US left behind. The two states present a challenge to each other, though their policies vary considerably. One overshadows the other in different domains. Yet, competition between the United States and China is expected to primarily stem from economic interests. General Kenneth McKenzie, the head of U.S. Central Command, has highlighted China's increasing economic presence in the Middle East, describing it as a move to establish a significant foothold in the region. This economic engagement encompasses various activities such as trade, investment, and the financing and construction of infrastructure projects. Additionally, China has been actively pursuing opportunities to sell specific weapon systems, especially in instances where the United States has declined to do so due to technology control regulations.

Consequently, China's expanding presence poses several challenges to U.S. interests in the region. These challenges include the potential restriction of U.S. access to ports and other critical

infrastructure, the risk of over indebtedness among U.S. partners due to Chinese financing, weapon sales that may undermine U.S. security objectives, and the possibility of China engaging in surveillance and intelligence activities through telecommunication and information infrastructure.²⁴

China has attempted to secure access to ports and initiated development projects in various strategic locations, including the Suez Canal Economic Zone in Egypt, Ashdod and Haifa in Israel, Duqm in Oman, Port Jizan in Saudi Arabia, Kumport in Turkey, and Khalifa in the UAE. While China presents these endeavors as commercial ventures, there is concern that they could serve as platforms for power projection and potentially impede U.S. access. Additionally, these ports could be utilized by China to monitor U.S. military and commercial shipping routes.

The case of Oman is particularly illustrative of how these ports might become focal points of competition between the United States and China. In March 2019, the United States and Oman signed an agreement granting port access to the U.S. Navy at Duqm and Salalah.²⁵ This agreement not only ensured alternative access for the United States beyond the Strait of Hormuz but also aimed to counterbalance increasing Chinese investment in Duqm, which amounts to \$10.7 billion. While the United States was successful in securing port access rights in Oman, China continues to pursue development projects in Duqm, indicating that Oman remains an arena for competition between the two powers.²⁶ In recent times, the UAE and Israel have emerged as key areas for potential competition between the United States and China, particularly concerning access to deep water ports.

Regarding arms sale, China currently falls far behind USA. Nonetheless, it has been establishing a specialized market for itself, prompting a reaction from the United States. China

²² Efron, Shira, Howard J. Shatz, Arthur Chan, Emily Haskel, Lyle J. Morris, and Andrew Scobell, *The Evolving Israel-China Relationship*, Santa Monica, Calif.: RAND Corporation, RR-2641-RC, 2019.

²³ "Iranian and Chinese Destroyers Hold Joint Drill in Persian Gulf," *Jerusalem Post*, June 18, 2017; "Iran, China Hold Joint Naval Exercise," *Tehran Times*, June 19, 2017. "China Holds First Anti-Terrorism Drills with Saudi Arabian Special Forces," *South China Morning Post*, October 27, 2016.

²⁴ Middle East Institute, "CENTCOM and the Shifting Sands of the Middle East: A Conversation with CENTCOM Commander Gen. Kenneth F. McKenzie Jr.," transcript, June 10, 2020.

²⁵ U.S. Embassy in Oman, "U.S. Statement on the Signing of the Strategic Framework Agreement," March 24, 2019.

²⁶ Phil Stewart, "With an Eye on Iran, U.S. Clinches Strategic Port Deal with Oman," *Reuters*, March 24, 2019

has concentrated on marketing armed drones, such as its domestically developed Wing Loongs, to nations in the region. Since Washington declined to sell its own unmanned aerial vehicles (UAVs), citing constraints imposed by the Missile Technology Control Regime (MTCR), these countries have turned to Beijing for such acquisitions.²⁷ Likewise, China has capitalized on Saudi Arabia's initiative to enhance local weapon production under its Vision 2030 program by agreeing to establish a factory in Saudi Arabia for manufacturing CH-4 UAVs.²⁸ By exploiting the U.S. refusal to provide these weapons, ostensibly to safeguard sensitive technology and prevent their misuse resulting in civilian casualties, China has gained a foothold in the Middle Eastern arms market while undermining U.S. policy. In July 2020, the Trump administration announced a reinterpretation of the MTCR regarding unmanned systems exports, arguing that it contained "outdated standards" unfairly favoring non-MTCR countries and hindering U.S. partners and allies with inferior technology, thus potentially aimed at countering Chinese drone sales. The impact of this change remains uncertain as of late 2020 but could create opportunities for the United States to sell armed UAVs to regional nations.

The United States has achieved some success in persuading states, notably Jordan, to relinquish their Chinese equipment. In 2019, reportedly under U.S. pressure and dissatisfaction with the performance of Chinese-produced CH-4B "Rainbow" UAVs, the Jordanian government sought to divest its fleet of CH-4Bs. However, such instances remain rare, and Gulf countries continue to procure advanced Chinese UAVs.²⁹

Challenges in Middle East

The Middle East is a turbulent region of the world and is famously referred to as the world's most volatile region. Thus, it is hard to claim that the region shall not pose challenges to the two major contenders in the region. The developments in the region also pose challenges to the US hegemony and

power status. Some of the challenges that the US and China face in the region are mentioned below.

For USA the region has been of great importance since the Cold War era. And has been a prime area of interest in its foreign policy and has tried since maintain the regional stats so to manage its interest and security in the region. But the rise of Nationalistic movements in the region, in defiance of autocratic monarchies are a potential threat to US and its influence in the region. As the monarchies are more supportive and sympathetic of what the US wants in the region. Terrorism at the same time poses a serious challenge to the US and has been taken up as its main policy objective to eliminate terrorism, eradicate extremist elements and prevent the spread of WMDs. The Israel question also poses a great challenge to US in the region as the recent war has made it very challenging for the US to maintain its image as a positive and reliable powerful entity. Not just on part of the atrocities committed in Gaza but at the same time has questioned its influence over Israel. Over which he has been able to assert pressure to a ceasefire. Iranian nuclear program, US unilateral withdrawal and the inability of the Trump and the Biden administration to bring Iran back into a negotiable deal poses challenges to the US further.³⁰

For China the region is not as easy place to go about its interests. It is similarly faced with a set of challenges in the region, certain developments have impacted China's policy. One notable change is the shift in energy dynamics, with the Middle East historically being a major hub of fossil fuel resources. However, advancements in technologies like shale gas, shale oil, wind, and solar energy, coupled with improvements in energy conservation, have led to a diminishing significance of the Middle East in the global energy market. Consequently, China's reliance on the region for energy security is projected to decrease over time, reaching a turning point in energy consumption earlier than previously anticipated.

Contrary to earlier predictions, recent data from China's National Bureau of Statistics reveals a slowdown in overall energy consumption growth.

²⁷ Turak, Natasha, "Pentagon Is Scrambling as China 'Sells the Hell' out of Armed Drones to US Allies," *CNBC*, February 21, 2019.

²⁸ Diamond, Christopher, "China to Open a Drone Factory in Saudi Arabia," *Defense News*, March 28, 2017.

²⁹ Kyle Mizokami, "Turns Out Buying a Chinese Knock-off Predator Drone Is a Bad Idea," *Popular Mechanics*, June 12, 2019.

³⁰ Kelsey Norman, "Key Challenges for U.S. Policy in the Middle East," *Barker Institute* (July 7, 2022).

This trend, attributed to factors such as the deceleration of the Chinese economy, especially in manufacturing and infrastructure, as well as the economy's structural transformation towards the service sector, suggests a fundamental shift in China's energy security outlook. While oil acquisition used to dominate China's energy security concerns, factors like energy pricing and quality have gained prominence. This shift in priorities may prompt a reevaluation of China's diplomatic strategies, potentially leading to a reassessment of its policies towards the Middle East, as energy loses its position as a top diplomatic priority in the region.

A notable change is the transformation in energy dynamics, with the Middle East historically being a primary source of fossil fuels. However, advancements in shale gas, shale oil, and alternative energy like wind and solar, coupled with improvements in energy efficiency, have diminished the Middle East's significance in the global energy landscape. Consequently, China's reliance on the Middle East for energy security is expected to diminish in the future, accelerating the anticipated turning point in Chinese energy consumption. Initially forecasted for around 2030, recent data from China's National Bureau of Statistics suggests this turning point occurred much earlier. Factors contributing to this early shift include the slowdown in China's economy, particularly in manufacturing and infrastructure development, as well as the ongoing restructuring towards a service-oriented economy. These changes have reshaped China's perception of energy security, shifting focus from merely securing oil sources to considerations of energy pricing and quality. Consequently, China may reassess its policies towards the Middle East, with energy potentially losing its primacy in its diplomatic priorities for the region.

The importance of energy is projected to diminish, leading to an increased focus on security risks in China's Middle East policies. Terrorism, piracy, and religious conflicts pose threats not only to the region but also globally. Radical groups like Islamic State, AQAP, Somalia Shabab, and others exploit the chaos, with Iraq and Syria emerging as hubs for international terrorism. Anti-China terrorist organizations also operate from the region, as seen with the Turkistan Islamic Party (TIP) in Syria. This

situation affects China's relationships with Middle Eastern countries. Additionally, geopolitical shifts, including reduced US involvement due to decreased oil dependency, create uncertainties. China navigates a dilemma: increasing its involvement may be perceived as strategic competition by the US, so it emphasizes economic and political cooperation instead. China's evolving identity complicates matters; while it once had narrow national interests, its global presence necessitates reevaluating relations with the Middle East. However, China's stance, perceived as supporting one side in conflicts like Syria, faces criticism. Moreover, as China's status shifts from a developing to a developed nation, differing attitudes in the Middle East emerge due to economic disparities.³¹

Conclusion

The US and China are among the leading powerful states in the region. Their engagement in the region has been a cause of concern for some. Their engagement has been discussed in terms of great power competition and as a challenge to one another's influence. The region remains important for both the countries, particularly due to its oil reserves but other geo-political and strategic facets also put the Middle East in the limelight. The US interest in the region has remained mainly to secure free and open access to trading lanes and accessibility of mineral reserves, for which it has presented itself as a de facto security guarantor in the region. Its interest in the region has also been to maintain stability and security that also provides access to the economic interest in the region. Thus, US has supported the autocratic monarchies in the region, that have remained sympathetic of US cause. Its policy to support its allies like Israel have also posed a great challenge to US in the region. Its undue support to Israel, have antagonized others in the region, while pursuing a maximum pressure policy over Iran. Has also resulted in no positive outcomes. At the same time the regional actors do not appear to support the Iranian card US intends to play. China on the other hand, tried to maintain a neutral image in the region in which it has most fairly succeeded. Its prime interest in the region has remained economic initiatives of which it pursued a mutual beneficial approach, based on which almost all the states in the

³¹ Lars Erslev Andersen, et al., "CHINA AND THE CHALLENGES IN GREATER MIDDLE EAST,"

Copenhagen: Danish Institute for International Studies, (November 10, 2015), 10-12.

region show more inclination towards China rather than the US. At the same time, China made use of US sanctions on Iran and engaged in formal arms trade. Its diplomatic role in the region has increased yet at the same time China refrains to over emphasize its presence in the region. That is, it has tried its level best to leave the US as the leading entity in the region. At the same time, their interest seem to converge on the point of terrorism and the spread of WMDs. Security to open access to trade and economic opportunities is a similar interest for both the states. While for both these interest security and stability of the region is mandatory, which is also a baseline common feature in the policies of both the states. Thus both should engage on levels where they can help deescalate tensions in the region, and make way for cooperation and competition rather than following a path of antagonizing the other and confrontation.

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