

# BRIDGING THE GULF:

## China's Navigation of the Saudi-Iranian Rivalry

By Lucille Greer



**BRIDGING THE GULF:**  
**China's Navigation of the**  
**Saudi-Iranian Rivalry**

**By Lucille Greer**

The Wilson Center  
The Kissinger Institute on China and the United States  
Washington, DC



**The Woodrow Wilson International Center for Scholars** was chartered by the US Congress in 1968 as the living memorial to the nation's twenty-eighth president. It serves as the country's key nonpartisan policy forum, tackling global challenges through independent research and open dialogue. Bridging the worlds of academia and public policy, the Center's diverse programmatic activity informs actionable ideas for Congress, the administration, and the broader policy community. Please visit us online at [www.wilsoncenter.org](http://www.wilsoncenter.org).

### **Ambassador Mark Green, Director, President, & CEO**

#### **Board of Trustees**

*Hon. Bill Haslam, Chair; Hon. Drew Maloney, Vice Chair; **Private Citizen Members:** Nicholas Adams, Thelma Duggin, Brian H. Hook, Hon. David Jacobson, Timothy Pataki, Alan N. Rechtschaffen, Hon. Louis Susman; **Public Members:** Hon. Antony Blinken, Secretary, US Department of State; Hon. Lonnie G. Bunch III, Secretary, Smithsonian Institution; Hon. Miguel Cardona, Secretary, US Department of Education; David Ferriero, Archivist of the United States; Carla D. Hayden, Librarian of Congress; Shelly Lowe, Chair, National Endowment for the Humanities*

A comprehensive approach to US-China policy must be based not only on American interests, but on an understanding of the cultural foundations of Chinese strategy as well. **The Kissinger Institute** is uniquely positioned to gather and present that perspective by working with Chinese institutions and through the type of policy-relevant research that is the hallmark of the Wilson Center.

#### **Available from:**

Woodrow Wilson International Center for Scholars  
One Woodrow Wilson Plaza  
1300 Pennsylvania Avenue NW  
Washington, DC 20004-3027  
[wilsoncenter.org](http://wilsoncenter.org)

© 2022, Woodrow Wilson International Center for Scholars  
ISBN: 978-1-7359401-9-9



# Contents

<b>Maps</b> .....	4
<b>Abbreviations</b> .....	6
<b>Foreword</b> .....	9
<b>Executive Summary</b> .....	13
<b>Introduction</b> .....	17
<b>Notes On Methodology And Terms</b> .....	22
China In The Broader Middle East.....	23
China And The History Of The Saudi-Iranian Rivalry.....	28
<b>Part One: Trade And Investment</b> .....	45
Bilateral Patterns.....	45
The Belt And Road Initiative Across The Persian Gulf.....	49
<i>The Myth Of The Silk Roads</i> .....	52
<i>Infrastructure: Metro Diplomacy</i> .....	55
Oil And Gas: The Lifeblood Of Ties.....	62
<i>Saudi Arabia</i> .....	58
<i>Iran</i> .....	70
Telecommunications: Lost Signals.....	83
<b>Part Two: Security Engagement</b> .....	97
Such Is The Art Of Warfare.....	97
Arms Sales: The Pricing And Availability Of Dragons.....	98
Joint Drills: Sending A Message To The World.....	114
The Nuclear Issue: Left Of Boom.....	127
<b>Conclusion</b> .....	143
Implications For The United States.....	146
<b>Acknowledgments</b> .....	152
<b>Author Bio</b> .....	153
<b>Endnotes</b> .....	154



Saudi Arabia<sup>1</sup>



Iran<sup>2</sup>



China<sup>3</sup>

## Abbreviations

<b>AIIB</b>	Asian Infrastructure Investment Bank
<b>AIOC</b>	Anglo-Iranian Oil Company
<b>AWACS</b>	Airborne Warning and Control System
<b>BIS</b>	Bureau of Industry and Security (U.S. Department of the Treasury)
<b>BPD</b>	barrels per day (unit of oil)
<b>BRI</b>	Belt and Road Initiative
<b>CASC</b>	China Aerospace Science and Technology Corporation
<b>CCP</b>	Chinese Communist Party
<b>CH</b>	Chang Hong Drone Series
<b>CISADA</b>	Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010
<b>CNPC</b>	China National Petroleum Corporation
<b>CRCC</b>	China Railway Construction Corporation
<b>CITIC</b>	China International Trust and Investment Corporation
<b>CSP</b>	Comprehensive Strategic Partner
<b>DF-3A</b>	Dong Feng-3 Missiles
<b>EO</b>	Executive Order
<b>ETF</b>	Escort Task Force
<b>ETIM</b>	East Turkestan Islamic Movement
<b>FDI</b>	foreign direct investment
<b>GCC</b>	Gulf Cooperation Council
<b>GDP</b>	gross domestic product
<b>GWOT</b>	Global War on Terror
<b>IAEA</b>	International Atomic Energy Agency
<b>ICBC</b>	Industrial Commercial Bank of China
<b>ICT</b>	information and communications technology
<b>ILSA</b>	Iran and Libya Sanctions Act
<b>IOC</b>	International Oil Company
<b>IPC</b>	Integrated Petroleum Contract

IRBM	intermediate-range ballistic missile
JCPOA	Joint Comprehensive Plan of Action (Iran nuclear deal)
KACST	King Abdulaziz City for Science and Technology
LNG	liquefied natural gas
MIS	Masjid Soleyman oilfield
NDAA	National Defense Authorization Act
NIOC	National Iranian Oil Company
NORINCO	China Ordnance Industries Group Corporation Limited
OIC	Organization of Islamic Cooperation
PLA	People's Liberation Army
PLAN	People's Liberation Army Navy
PRC	People's Republic of China
SABIC	Saudi Arabian Basic Industries Corporation
SAMI	Saudi Arabia Military Industries
SCO	Shanghai Cooperation Organization
SDN	Specially Designated Country
SEG	Sinopec Engineering Group
SOE	state-owned enterprise
SNCG	Shenhua Ningxia Coal Industry Group
SPH	self-propelled howitzer
STEP	Saudi Talent Enablement Program
STC	Saudi Telecom Company
TCI	Telecommunication Company of Iran
TIV	trend-indicator value (unit of arms sales)
UAE	United Arab Emirates
UAV	unmanned aerial vehicle
UN	United Nations



## Foreword

As *Bridging the Gulf* goes to press, Chinese Communist Party General Secretary Xi Jinping is preparing for a December trip to Riyadh, where he will meet crown prince Mohammed bin Salman and hold a summit with Arab leaders. Washington will watch with rapt attention—and fear—but with little understanding of the scope and limits of China’s Middle East ambitions. In this volume, Lucille Greer provides the historical and strategic background U.S. policymakers badly need.

Since Xi launched its Belt and Road Initiative in 2013, there has been a steady stream of scholarly research on China’s activities in Southeast Asia, Africa, Latin America, and, more recently, Central Asia. Scant attention has been given to China’s burgeoning relations in the Middle East, however, despite China’s growing assertiveness there and the fact that it buys more of the region’s oil than any other nation and consumes more than twice as much as the United States.

China manages the difficult balancing act of maintaining good relations with Iran, Saudi Arabia, Egypt, Syria, and Israel. Riyadh has a comprehensive strategic partnership with Beijing and Iran, the second and equally vital case study in *Bridging the Gulf*, concluded a 25-year comprehensive cooperation agreement with China in 2021. Many other countries in the region welcome China as a major market, investor, and hedge against the United States. Most welcome China’s calls for a multipolar order in which non-Western cultures and non-democratic governments have an enhanced voice.

The invasion of Ukraine has brought greater attention to China’s strategies in the Middle East, as regional players support the price of oil, sell arms to Russia, and, especially in Iran’s case, signal interest in working with Russia and China in a nascent block opposed to Western initiatives. But China’s plans in the

region predated Russia's invasion and are likely to expand regardless of how that conflict concludes. China is making a long-term play, both for its own sake, and to stymie and confuse American goals in Eurasia. China's Middle Eastern arms sales, mooted military bases, and yuan-denominated futures contracts and purchases bring military and financial dimensions to Sino-U.S. competition in the Gulf.

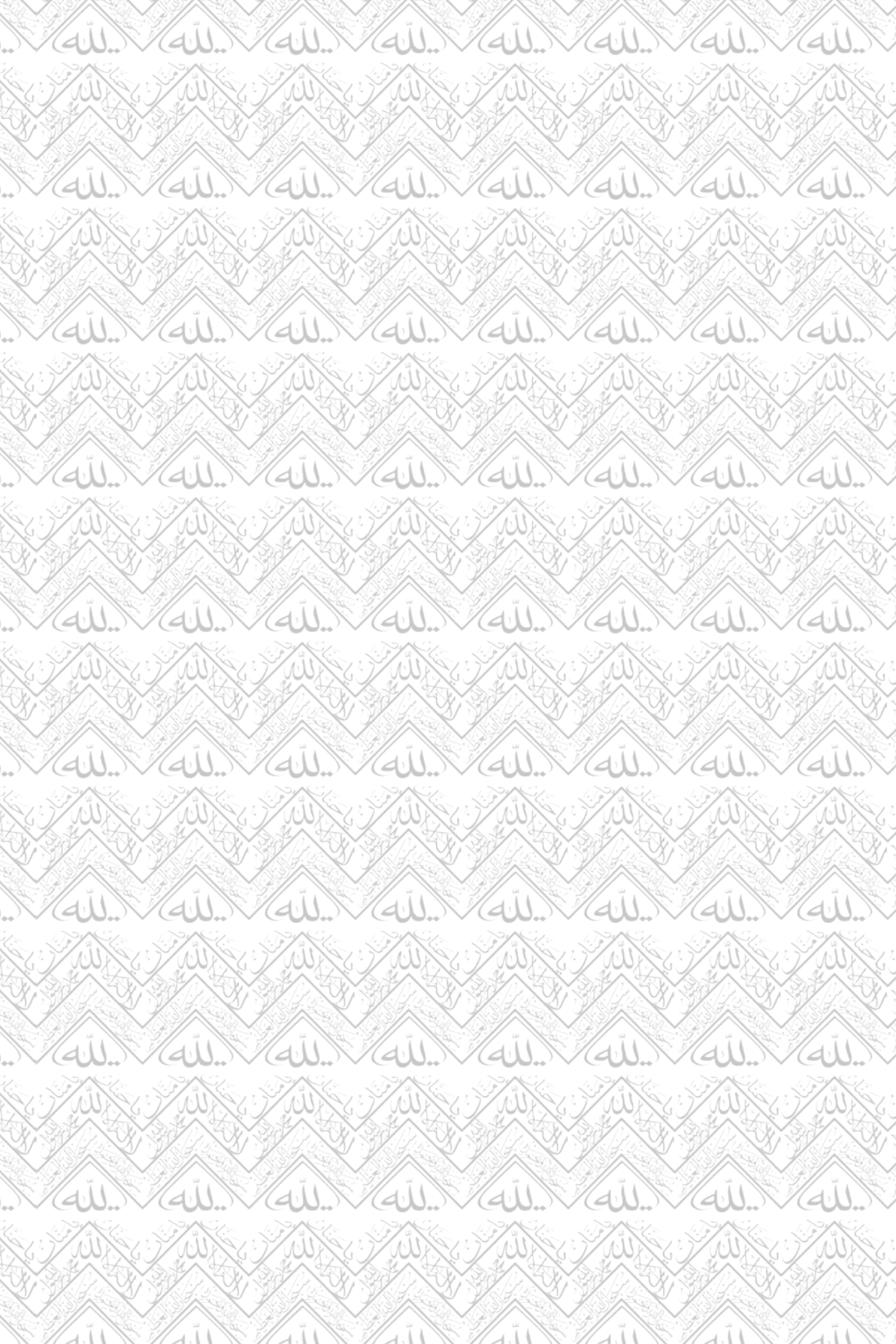
The U.S. is not prepared for this challenge. How many experts in Chinese *and* Middle Eastern affairs work in the State Department? How many do U.S. universities train? China has 15 Confucius Institutes, and counting, in the Middle East. 50,000 Chinese and foreign students study Arabic and Islamic culture in 37 institutions throughout China, and most likely speak some English. There are no data on how many of the 32,000 American who take Arabic also study Chinese, but it seems a safe bet that the total number of truly trilingual (English-Chinese-Arabic or Farsi) Americans is in the low double digits.

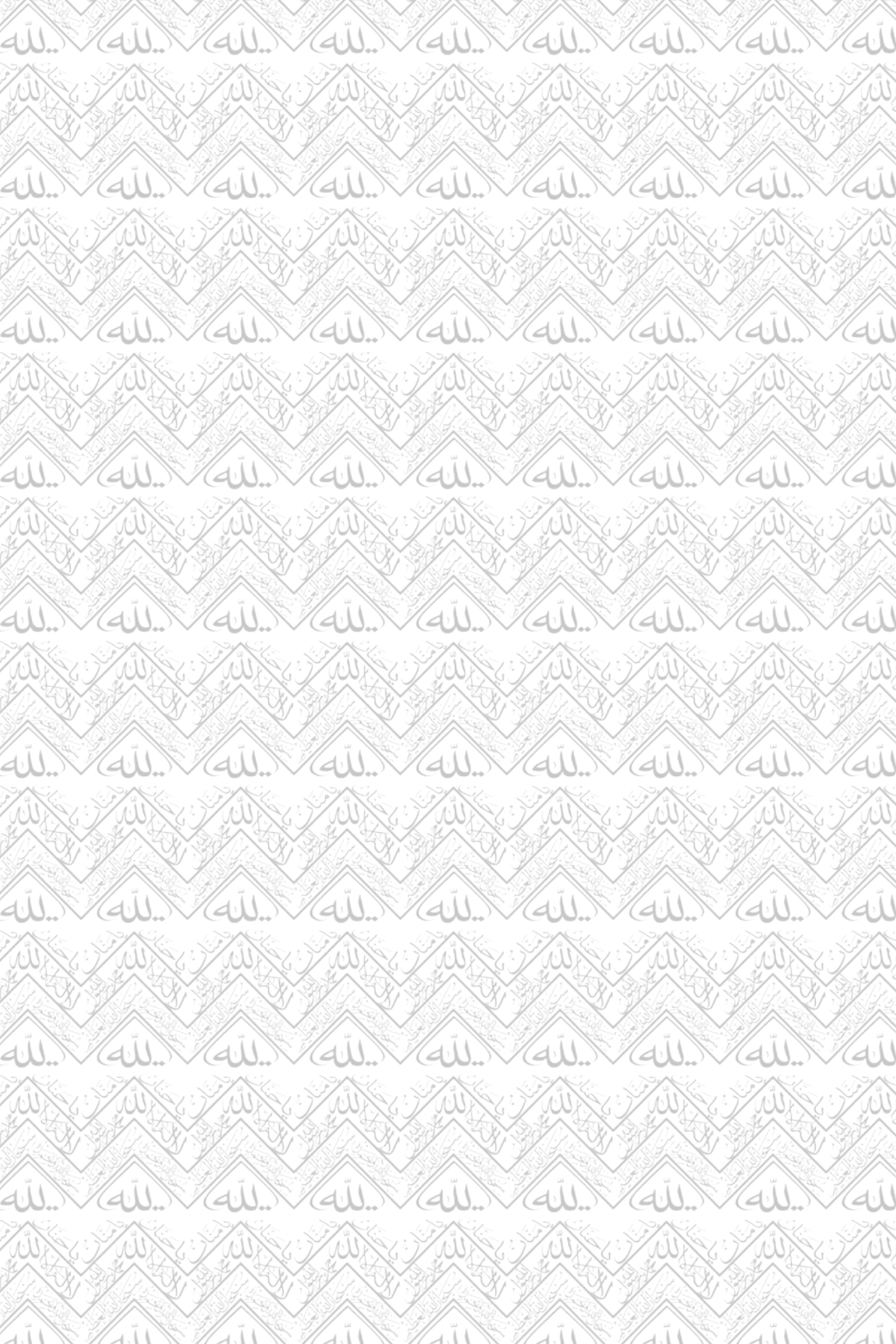
Lucille Greer is an accomplished Arabist who gained extensive knowledge of both the Middle East and China through her time living and researching in the Arab world, her studies at Schwarzman College at Tsinghua University in Beijing, and her two-year fellowship at the Wilson Center's Kissinger Institute on China and the United States. She is currently a foreign affairs specialist in the Middle East Policy Office at the Department of Defense. The Wilson Center is proud to have sponsored her pioneering research and to present it to you in these pages.

With gratitude to Lucille Greer and the Wilson Center Community,  
Robert Daly

Director, Kissinger Institute on China and the United States  
The Wilson Center







## Executive Summary

One of the most intriguing aspects of China's foreign policy in the Middle East is its ability to sidestep entrenched rivalries and build relationships with all states in the region. The most remarkable of these feats is China's partnerships with both Iran and Saudi Arabia. China seemingly accomplishes this feat by treating both nations with a transactional eye and evenhandedness. Yet comparing the Sino-Saudi and Sino-Iranian ties reveals that each relationship serves a different purpose in China's international policy priorities. Each partnership offers unique benefits and drawbacks. The United States exerts a defining external pressure in this dynamic.

In trade and investment, Saudi Arabia enjoys more positive relations with China than Iran as it has been unhindered by sanctions regimes. This is true in telecommunications, which has become a fraught field for Chinese multinational companies in Iran. The energy investment climate in Iran is hostile for foreign entities—including China, despite its perceived advantage as a non-Western partner. Saudi Arabia and Iran offer promising opportunities for Belt and Road Initiative investments. The roots of both Gulf countries in the ancient Silk Road provide affirming rhetoric that unites all three states.

In security engagement, China is restrained with Saudi Arabia and Iran in accordance with its cautious approach to the Middle East. This stance is further enforced by the United States' role as a security guarantor. China is making inroads in arms sales, but it is limited by sanctions on Iran and competition from American arms dealers in Saudi Arabia. China is increasing its military-to-military diplomacy in the Persian Gulf, and it has conducted parallel joint drills with the Saudi and Iranian militaries. China conducts drills with the Royal Saudi Navy in the Red Sea to avoid any cross-contamination with its military cooperation with

Iran. China was also a significant partner in the Iranian nuclear deal as part of the P5+1 (the five permanent member of the United Nations Security Council, plus Germany) and is making attempts to partner in the burgeoning civilian nuclear industry in Saudi Arabia.

China's approach to these nations is emblematic of its balancing act in the Middle East. Since the nature of these relationships is transactional, Saudi Arabia has earned more cooperation from China than its neighbor. China will continue this evenhanded approach of bridging the Gulf, a policy that has the potential to grant it increasing influence in the Middle East.

The author makes the following policy recommendations to the United States:

**Pursue multilateral nuclear talks with Iran as expeditiously as possible.**

The United States' policy to treat Iran as a total pariah grants China partnership opportunities. China uses relations with Iran as a lever by which to exert pressure on the United States. Depriving China of that tool by returning to nuclear talks will be necessary as U.S.-China tensions worsen. Pursuing engagement with Iran will diminish China's status as the only flexible partner in the Middle East, which is a major asset for the Chinese government.

**Recognize the changing nature of China as Saudi leverage over the United States.**

The primary role of China in the U.S.-Saudi bilateral relationship has been to present an alternative. China is picking up speed in this regard. When it comes to arms sales and security, the United States is still by far the primary partner, though China has made some progress that should be watched. Chinese companies are making serious inroads in the private sector, which also bears monitoring. This extends to telecommunications and 5G technologies, which is already an American priority globally.

**Exercise caution when framing Chinese presence in the Middle East as "great power competition."**

The return of great power competition rhetoric to U.S. foreign policy discourse can ramp up tensions. However, escalating hostility with China in the Middle East is a dangerous game. The Middle East is not a high priority for Beijing, but the region is a place where it easily can raise

tensions with Washington. The Middle East should be treated as an auxiliary to the global phenomenon playing out, not a cause in itself.

**Institutionalize tracking Chinese interests and activities in the Middle East with formalized positions and an interagency working group.**

Understanding Chinese priorities in the Middle East is of vital importance. China is opportunistic in the Middle East. Beyond considering what American policies do to Saudi Arabia and Iran, the United States needs to consider what its policies do for China. It should not create opportunities for China due to inattention. Many U.S. officials already focus on Chinese foreign policy in the Middle East as part of their regular portfolios. This sensibility should be institutionalized and made government-wide. Each department should have an official China watcher in Washington and in Middle East regional offices. The Biden administration should create an National Security Council-led interagency working group to track Chinese policy in the Middle East. This group should have representation from the Department of State, the Department of Defense, the intelligence community, the Department of the Treasury, the Department of Commerce, and the Department of Energy. Focused attention and interagency communication will shape a comprehensive, informed U.S. approach in the region.





## Introduction

In the quiet hours before dawn on September 14, 2019, missiles streaked over Saudi Arabia. Their destination was not the desert capital of Riyadh or the seaside town of Jeddah. Their target was in the remote moonscapes of the Eastern Province, the source of the Kingdom's standing in the region and the world. Eighteen of 21 drones found their mark at the Abqaiq oil processing facility at around 4:00 a.m. At approximately the same time, four cruise missiles struck the Khurais oilfield to the southwest.<sup>4</sup> The Abqaiq processing facility is the largest in the world with a capacity of more than 7 million barrels per day (bpd). Khurais has a pumping capacity of 1.5 million bpd. Both are owned and operated by the state oil company Saudi Aramco. The attack temporarily knocked out half of the Kingdom's oil production.<sup>5</sup>



*Smoke rising from Abqaiq oil processing facility. Photo credit: European Commission/AP<sup>6</sup>*

This attack stunned the international oil market and its observers. Other than an unsuccessful al-Qaeda attempt to drive explosives into Abqaiq in 2006, Saudi Arabia's open (and glaringly insecure) infrastructure had never been attacked so directly.<sup>7</sup> Houthi rebels in Yemen initially claimed responsibility. However, the Kingdom quickly assigned blame to its regional rival and neighbor across the Persian Gulf: Iran. The United States, the United Kingdom, France, and Germany joined Saudi Arabia in accusing Iran. Iran denied the charge. As Iran's then foreign minister, Javad Zarif, put it bluntly: "If Iran were behind this attack, nothing would have been left of this refinery."<sup>8</sup>

The world held its breath as tensions between the Gulf powers reached an all-time high. One global power, however, was noticeably quiet in the discussion: the People's Republic of China (PRC). As Saudi Aramco's best customer and a steadfast partner with Iran, China had enormous stakes in the conflict. Yet the Chinese foreign ministry only offered a short statement:

China is against any move that will aggravate the conflict. We call on relevant sides to refrain from actions leading to escalation of the tensions in the region. We hope all parties will exercise restraint and jointly safeguard the peace and stability in the Middle East.<sup>9</sup>

China's evenhandedness between Saudi Arabia and Iran during September 2019 did not end with diplomatic statements. Two months later, China sent the People's Liberation Army Navy (PLAN) to conduct joint drills with the Saudi Royal Navy in the Red Sea in "Operation Blue Sword." Chinese elite special forces known as Sea Dragon Commandos spent three weeks with the Saudi Western fleet special forces boarding ships, storming compounds, and honing their marksmanship, all in the name of counterterrorism and counterpiracy operations.<sup>10</sup> A month later, the PLAN sent a destroyer to the Gulf of Oman to participate in joint drills with Iran and Russia as part of operation "Marine Security Belt."<sup>11</sup>





Iranian sailor during Marine Security Belt drill, December 2019<sup>12</sup>



Iranian sailor during Marine Security Belt drill, December 2019<sup>13</sup>

China's diplomatic and military efforts in the Persian Gulf during the fall of 2019 are demonstrative of one of its trademark policies in the Middle East: balancing among rivals. This approach has shaped China's approach to Israel and Palestine, Syria and its neighbors, Qatar and its opposing bloc, and most notably, Saudi Arabia and Iran. The PRC has an official policy of developing partnerships instead of alliances. Each partnership is assigned a level in a hierarchy. Saudi Arabia and Iran occupy the highest tier as Comprehensive Strategic Partners (CSPs). China signed CSPs with Saudi Arabia and Iran within days of each other in 2016.<sup>14</sup>

China is successfully performing a balancing act between the most notorious rivals in the Middle East. U.S. officials report receiving complaints from Saudi partners about European countries' ties to Iran, but none about China's.<sup>15</sup> Iranian officials have not publicly decried Chinese ties to Saudi Arabia and relentlessly pursue closer partnership with the PRC.<sup>16</sup> This state of affairs, however, is not a neat case of pure equity between China and its Persian Gulf partners. The triangle of China–Iran–Saudi Arabia does not function in a vacuum. External pressure from countries like the United States is a significant complicating factor. How is China navigating one of the tensest political realities in the Middle East?

This study looks at four questions:

- What are China's interests in Saudi Arabia and Iran?
- How has China managed to create and maintain economic, political, and security partnerships with both nations?
- How will China's relationships with two of the greatest powers in the Middle East shape the geopolitics of the region?
- What implications will China's navigation of the Saudi-Iranian rivalry have for American policy in the Middle East?



*King Salman and Chairman Xi Jinping announce Sino-Saudi Comprehensive Strategic Partnership on January 20, 2016<sup>17</sup>*



*Xi Jinping meets with Iranian Supreme Leader Ayatollah Ali Khamenei on January 23, 2016.<sup>18</sup>*

This framework is a lens through which Chinese foreign policy in the Middle East can be better understood. This study provides insight into two questions that Chinese–Middle East experts have been asking for some time. Will the PRC exert itself to stabilize regional tensions? Will China be forced to choose between partners in the region?

## Notes on Methodology and Terms

This study used interviews with officials, academic experts, practitioners in the private sector, and other stakeholders and observers of Sino-Saudi and Sino-Iranian relations. Any omission of names is to protect the professional and personal safety of interviewees. These interviews were conducted either in China or in the United States in person, through phone calls, and over video chat. This study includes surveys of official government data and statements in English, Arabic, Chinese, and Farsi. This project began in the fall of 2019 before the advent of the coronavirus and, like many projects around the world, had to adapt to the pandemic. Meetings and interviews were confined to Zoom calls and research travel to the Gulf was canceled. Further research on this topic will be made richer once these methods are safe again.

In this report, the Middle East or MENA region is defined as a region consisting of the countries along the southern and eastern shores of the Mediterranean Sea, the Arabian Peninsula, and countries of the Persian Gulf. The Persian Gulf or the Gulf refers to the subregion of countries bordering the Persian Gulf. The Arab world refers to the 22 countries of the Arab League, which all speak some form of Arabic and have some shared Arab heritage. The Muslim world is the international community of Muslim countries and people. There is some overlap between these terms, but these words are not used interchangeably and are used to describe specific places and ideas.

All Chinese words and names have been transliterated using the pinyin system without tone notes. Chinese heads of state such as Xi Jinping are referred to as “General Secretary of the Chinese Communist Party” or “Chairman” instead

of “President” because Chairman is a more accurate and faithful description of their positions in the Chinese political system.

## China in the Broader Middle East

Before undertaking an in-depth examination of China’s navigation of the Saudi-Iranian rivalry, it is useful to understand what China’s interests in the broader Middle East actually are. There is a wealth of literature on Chinese foreign policy in the Middle East and Chinese–Middle Eastern history compiled by Chinese, Middle Eastern, and international scholars.<sup>19</sup> China’s interests in the region, while varied and nuanced, can be set out in four pillars:

- Building geostrategic connectivity
- Attaining energy
- Enhancing international prestige
- Combating violent extremism

These interests are outlined succinctly in China’s only white paper on the Middle East, the “Arab Policy Paper.” The Chinese Foreign Ministry released the paper in 2016 ahead of Xi Jinping’s tour of the region, during which he signed CSP agreements with Saudi Arabia and Iran.

The foundation of China’s interest in the Middle East is geostrategic connectivity. The Arab Policy Paper says:

Arab states are situated in the converging area of the Asian and African continents, characterized by religious and cultural diversities, time-honored culture and history, unique resource endowment and great potentials for development.<sup>20</sup>

If China is to connect with the world beyond East Asia, it must forge paths through the Middle East. The first iteration of this approach was the historic trade routes of the so-called Silk Road, which passed through Arab, Persian, and Turkic lands and waters from the 2nd century BCE to the 15th century. Since 2013, the Belt

and Road Initiative (BRI) has sought to inherit the Silk Road's mantle. The Middle East's connection with European, African, and Asian markets makes it an attractive place for China to be involved commercially. Infrastructure is a vital component of this connectivity. These ambitions range from railroads to more modern projects, such as fiber optic cables that run from China to Europe. These new cables will slice milliseconds off the current time it takes the trans-Pacific cables to send information—an innovation that will mean billions for investors.<sup>21</sup> That connectivity, however, has been a source of insecurity in addition to commerce. Throughout China's history, from the Silk Road period to World War II, the Cold War, and today, it has feared being ringed by unfriendly neighbors, including the Middle East. At present, the PRC names this fear as terrorism and separatism from nearby conflict zones in Afghanistan and Syria, where the Chinese Communist Party (CCP) says extremists can study radicalism and bring it home to China. China's most obvious interest in the Middle East is energy. The Arab Policy Paper states:

We will carry out cooperation on the basis of reciprocity and mutual benefit, promote and support investment cooperation with Arab countries in the field of petroleum and natural gas, in particular, investment cooperation on oil prospecting, extraction, transportation and refining, and advance the synergizing of oilfield engineering technology service, equipment trade, and industrial standards.<sup>22</sup>

Writing in 1991 during the time of the Persian Gulf War, a Chinese commentator in the Ministry of Foreign Affairs publication *Shijie Zhishi* declared, "The vast petroleum resources in the Gulf are of important strategic significance. Who controls the oil resources of the region controls the lifeblood of the world." At the time, the author was speculating on American motives in the Persian Gulf War.<sup>23</sup> That statement rings true of Chinese investment in the Middle East's energy sector today. China was a net oil producer in the 1980s, but sources of supply were not harnessed, and producing fields declined. Between 1978 and 2004, China's energy consumption increased by 245 percent, and it made the shift to a net oil



importer. The increasing demand for foreign energy resources shows no sign of stopping. The Chinese automotive industry saw explosive growth in the 1990s. The cars now manufactured in China and being driven on Chinese roads need gasoline.<sup>24</sup> Increased Chinese emphasis on infrastructure and heavy industry projects also contributed to this rapid growth.<sup>25</sup> While consumption is up, in 2016 and 2017, oil production in China slowed even further owing to aging oil fields, high production costs, and investment cutbacks.<sup>26</sup> Foreign imports are projected to reach 80 percent of total Chinese consumption by 2030. The Middle East remains of primary importance in Chinese oil imports. In 2013, 51 percent of China's crude oil imports came from the Arabian Peninsula, Iran, and Iraq.<sup>27</sup> Furthermore, Saudi Arabia operates as a central bank on world oil prices, depending on how it regulates output.<sup>28</sup> China must be involved in the Saudi and Middle Eastern oil markets because if those markets destabilize, oil prices around the globe will fluctuate. Engagement in the Middle Eastern oil market gives China a significant stake in regional stability and strong interest in preventing scenarios that could disrupt the flow of oil.<sup>29</sup>

China also is interested in cultivating international prestige in the Middle East. China has built a lexicon of diplomatic terminology for its own brand of international outreach:

We are actively involved in building a new type of international relations featuring win-win cooperation and jointly promoting world peace and development. We support the UN [United Nations] in playing a leading role in maintaining peace, promoting common development, and enhancing international cooperation. We support the UN to undergo necessary and reasonable reforms and increase the representation and voice of developing countries, including Arab states, at the UN Security Council.<sup>30</sup>

For decades, international involvement in the Middle East has been monopolized by multilateral conflict resolution, successful or (more often) otherwise. For decades now, the international community has touted "peace in the Middle East" as a goal.<sup>31</sup> The region has been subject to different peace plans, medi-

ated negotiations, and development strategies from all the great powers of the world, for better or worse.

For China, the Middle East presents an opportunity to demonstrate its credentials as a global leader. The Middle East is a piece of China's vision for a reorientation of the international community that China claims better represents developing countries.<sup>32</sup> More accurately, the PRC seeks to reorient the international community to better represents its own interests. By championing the representation of Middle Eastern states in the international order, China can frame itself as a leader and build a coalition of partners.

Part of China's approach has been its commitment to a policy of "non-interference." It has deployed this language since the Bandung Conference of 1955, when the new PRC met with Asian and African nations. The Final Communiqué from the conference included a point stipulating "Abstention from intervention or interference in the internal affairs of another country."<sup>33</sup> China's non-interference policy is exactly what it sounds like—the PRC claims it will not involve itself in a foreign country's affairs. This non-interference policy is appealing to Middle Eastern countries that have felt the sting of imperialism from a variety of extraregional powers.<sup>34</sup> Whether China upholds this principle beyond rhetoric is another matter entirely. The China of today is radically different from the China of 1955. The modern PRC has wide-reaching economic policies and has participated in political processes such as conflict mediation.<sup>35</sup> Nevertheless, non-interference rhetoric is a powerful tool in China's foreign policy arsenal.

China's outlet for international power projection is the UN. It wields tremendous power as a permanent member of the UN Security Council, which often witnesses resolutions pertaining to the Middle East, including the Iran nuclear deal (see Part Two: Security Engagement). China has proposed different peace deals or hosted negotiations between parties. In 2013, the PRC proposed a four-point peace plan for the Palestinian-Israeli conflict that was essentially the same as the Arab peace plan, including East Jerusalem as a capital for a Palestinian state with pre-1967 borders.<sup>36</sup> China has repeatedly advanced this same proposal in 2017 and 2021.



Although Palestinian diplomats appreciated this gesture, the proposal was never treated seriously.<sup>37</sup> A peace plan for Palestine and Israel was China's chance to assert itself as an international player without bearing any of the responsibilities of an external negotiator. It also was a chance for China to highlight the failures of the United States in the region, which has long presided over the Palestinian and Israeli negotiation process.

Regarding China's interest in combating violent extremism, the Arab Policy Paper states:

China is ready to strengthen anti-terrorism exchanges and cooperation with Arab countries to establish a long-term security cooperation mechanism, strengthen policy dialogue and intelligence information exchange, and carry out technical cooperation and personnel training to jointly address the threat of international and regional terrorism.<sup>38</sup>

Global security policy has largely focused on the Middle East as the locus of combating terrorism. The United States has been a major driver of this campaign under the Global War on Terror (GWOT), coined in the wake of the September 11th attacks.<sup>39</sup> Although GWOT was an American concept, China quickly became an enthusiastic practitioner. Internally, the PRC used the GWOT concept, under the guise of counterterrorism, to usher in a new phase of repression of the Muslim-majority Uyghur population in Xinjiang.<sup>40</sup> When it came to the Middle East, however, China was much more cautious. To Beijing, the evolving GWOT in the Middle East confirmed its perception of the region as an unstable place. But in 2017, Uyghur fighters started appearing in Islamic State videos, promising that blood would flow in the streets of Beijing. The PRC pivoted to include violent extremism in the Middle East as a regional security concern, along with energy security. This framing has sparked more Chinese security involvement in the Middle East through increased military-to-military diplomacy, often through drills that focus on counterterrorism (see Part Two: Security Engagement).<sup>41</sup> Counterterrorism provides an uncontroversial pretext for Chinese security partnerships

with countries that are traditional partners of the United States. This pretext will draw less American ire for China and its partner country.

The four interests of geostrategic connectivity, energy, international prestige, and combating violent extremism together reveal a dynamic that is economically driven, ideologically informed, and increasingly securitized. Even more crucially, the China–Middle East relationship is happening on a stage with international actors exerting different pressures. In this arena, rhetorical relations are as important as functional ones, if not more so. The most important international actor is the United States. China’s relationship with the United States is much more important than its relationship with the Middle East. Likewise, countries in the Middle East have had a much longer relationship history with the United States than with China. The United States is the region’s traditional partner in security. The rising interest in China from the Middle East must share space with long-held interests in the United States and European partners. These external tensions from the West characterize the China–Middle East relationship and will continue to do so for the foreseeable future.

## China and the History of the Saudi–Iranian Rivalry

*There is no rivalry with Iran. This is Iranian propaganda. They are not worthy of our attention, and not even number 20 on our list of concerns.*

—Crown Prince Muhammed bin Salman, 2017<sup>42</sup>

*In an attempt to be the strongest in the region, to exclude one another from the region, we have managed to destroy the region.*

—Iranian Foreign Minister Javad Zarif, 2018<sup>43</sup>

*We call on all relevant parties avoid taking actions that bring about an escalation and can jointly safeguard peace and stability in the Middle East.*

—Hua Chunying, Chinese Foreign Ministry Spokesperson, 2019<sup>44</sup>

The dyad of Saudi Arabia and Iran stands out in a region of rivalries because both states have enormous strategic and ideological capabilities to upset regional stability. Saudi Arabia and Iranian resources have been brought to bear as tensions between the two have ratcheted up in recent years, with both parties wielding diplomatic breaks, proxy warfare, and direct strikes on high-value targets.

The rivalry between Saudi Arabia and Iran is not a static factor in the Middle East. Rather than a clean-cut question of ethnic differences or sectarian competition, the rivalry waxes and wanes depending on the political headwinds that drive the region's geopolitics. The domestic politics of Saudi Arabia and Iran inform a great deal of their partnership, from economic prosperity to tensions between conservatism and reform. Compounding this complexity is the fact that both states are geographic neighbors with populations that wish to undertake the Hajj in Mecca and Medina. There are shared interests in maintaining a status quo. It is in these moments of détente that China can pursue closer partnerships with both nations. China is risk-averse in the Middle East. If insecurity is a deterrent to China in the region, then a truce between Saudi Arabia and Iran can allay Beijing's concerns and invite partnership.

The Saudi-Iranian rivalry began in 1979 with three events: the Islamic Revolution of Iran, the Siege of Mecca, and the Qatif Uprising.

The Islamic Revolution of 1979 saw the overthrow of the American-backed Shah Mohammed Reza Pahlavi and the installation of the Islamic Republic of Iran. The revolution was built on a diverse coalition across Iranian society which expressed discontent with the regime's corruption, crackdowns on dissent, foreign control of the oil industry, and ties to the West.<sup>45</sup> Economic collapse in 1977 and the resulting inflation and unemployment were the final nail in the coffin for the shah's government.<sup>46</sup> The hopes of secular elements in the revolution were dashed by the rise of Ayatollah Ruhollah Khomeini as key figure in the movement's leadership and the creation of the theocratic Islamic Republic of Iran under Khomeini as Supreme Leader.<sup>47</sup>



*Ayatollah Khomeini returns to Iran on February 1, 1979. Image released under GFDL license.<sup>48</sup>*

The new Supreme Leader's criticism of Saudi Arabia's Sunni Islamic ideology became a trademark of Shi'a Iranian rhetoric. In 1987 during the depths of the Iran-Iraq War, Ayatollah Khomeini was quoted in the *New York Times* as saying, "Mecca is now in the hands of a group of infidels who are grossly unaware of what they should do." Saudi officials bitterly replied, "Iranian butchers are a mentally distorted and ignorant gang, agents of Satan, who behave as [if they are] going nuts, as a fascist regime."<sup>49</sup> The rise of a Shi'a theocracy in Iran did not bode well for the Wahhabist Sunni monarchy and would set them on nominally conflicting paths.<sup>50</sup>

The revolution reoriented the balance of power in the Middle East. Iran took on a hostile position toward its Arab neighbors, accusing them of being too friendly with the United States. Saudi Arabia had previously counted on the Iranian military—which was five times larger than the Kingdom's—for security, but was forced to reexamine its regional strategy. Internationally, the revolution forced the United States to quickly reshape its Middle East policy, as it had counted Iran as a pillar of support in the Cold War along with Saudi Arabia and Israel.<sup>51</sup> Even though Saudi Arabia and Iran had never been in lockstep on regional politics, the Kingdom could no longer rely on Iran as part of a pro-Western coalition.<sup>52</sup> Western support was and is key to the survival of Saudi Arabia as a state and

the al-Saud family as regional power brokers. Iran's new anti-imperialist rhetoric and anti-American identity automatically put it at odds with Saudi Arabia.

Up until the very end, China still backed the shah's government in the revolution. Yet the parallels between the emergence of the PRC and the Iranian Revolution might have made them immediate compatriots. Although the ideologies of each revolution were different, the PRC was also the product of enormous social and political upheaval to create a more just government. When China emerged as a state, it was also against a Western-led international order. However, by 1979, the PRC was exhausted by ideological upheaval and utopian visions. Deng Xiaoping had just consolidated rule on the basis of practicality and economic revitalization. PRC diplomatic overtures, including a visit from Chairman Hua Guofeng during the height of protests, were so pro-shah that relations between the Chinese government and the new Iranian leadership remained awkward for years to come. The avowed atheism of CCP rule aided this initial disconnect with the Islamic Republic.<sup>53</sup>



*Chairman Hua Guofeng with Shah Mohammed Reza Pahlavi during a state dinner in Iran, 1978.<sup>54</sup>*

The second event that set Iran and Saudi Arabia against each other was the Siege of Mecca. On November 20, 1979, driven by Wahhabist and populist zeal, a man

named Juhayman al-Otaiba led armed men to take over the Grand Mosque in Mecca for two weeks. While the siege was ongoing, Saudi authorities tried to determine who had occupied the Grand Mosque. In the confusion, Iran's hostile attitude toward its Arab neighbor in the wake of the Islamic Revolution made it a likely suspect. The day after the siege began, the *New York Times* ran the story about it under the headline "Mecca Mosque Seized by Gunmen Believed to Be Militants from Iran."<sup>55</sup> This bloody episode had dramatic fallout domestically and internationally. For the Saudi-Iranian rivalry, it left a dark stain on relations between the two. The Kingdom eventually made a statement that neither Iran nor the United States had been involved. But the shadow of Iran over the whole event was undeniable, and was made even more striking by what would happen next in the east.<sup>56</sup>

### **The Siege of Mecca**

On November 20, 1979, over 100,000 pilgrims were gathered in Mecca's Grand Mosque. As morning prayers concluded, gunshots rang out in a city where violence is forbidden. Hundreds of Islamist militants had infiltrated the Grand Mosque, having smuggled weapons into the compound by placing them in the coffins brought to the mosque for last rites. A man seized the microphone from the imam. He announced that the Mahdi had returned and the people of Saudi Arabia would now be liberated.

The man who took the microphone—the engineer of the attack—was Juhayman al-Otaiba. Al-Otaiba came from a prominent family in the Najd region of Saudi Arabia who took a hardline Wahhabist approach to Islam. He opposed the presence of foreign embassies, women on television, and what he considered the root of all these evils: the rule of the al-Saud family. Al-Otaiba, armed with a combination of religious zealotry and popular protest, amassed hundreds of followers from all over the Middle East. He proclaimed his brother-in-law to be the Mahdi. The Mahdi is a messianic figure in Islam who brings about Judgment Day, according to some interpretations of the sayings of the Prophet Muhammad. Another driver



of al-Otaiba's opposition, often left out of the litany of his Wahhabist motivations, was more economic: the redistribution of oil wealth. New revenue had streamed into the Kingdom in the wake of the oil embargo during the 1973 Arab-Israeli War, but many on the fringes of Saudi society saw no change in their quality of life.<sup>57</sup>

The Saudi government scrambled to obtain a fatwa (religious injunction) to allow for a forceful end to the insurrection. The Siege of Mecca would end only after the Saudi National Guard stormed the Grand Mosque compound. (Though the Saudis had been trained by French Special Forces in neighboring Taif, the French forces themselves could not enter Mecca because they were not Muslim.) By the end, over 270 people perished in the Siege of Mecca.



*Saudi Special Forces fighting to the Ka'ba via underground tunnels in the Grand Mosque<sup>58</sup>*

Six days after the Siege of Mecca began, the Shi'a population in the eastern Saudi towns of Qatif and al-Hasa revolted. To the house of al-Saud, this uprising had the effect of pouring gasoline onto a fire.<sup>59</sup> Qatif in particular was a flashpoint. The town sits just up the road from the eastern port town of Dammam, the site of the sand dune where oil was first discovered in Saudi Arabia in 1938. The area had become relatively urbanized during the early years of the Saudi oil industry.<sup>60</sup> The Shi'a

community in Qatif had experienced some suppression since the Sunni al-Saud family had conquered the territory in 1913. This suppression was brought to an all-time high in the aftermath of the Iranian Revolution, owing to Saudi authorities' concerns about potential regional revolutionary echoes.<sup>61</sup> Combined with the lack of investment in the region from the Saudi government, the local population began to protest. Around 4,000 local Shi'a residents took to the streets on November 26 to publicly celebrate the Shi'a holiday 'Ashura, which was forbidden in the Kingdom. They chanted "Death to al-Saud," blocked a highway to a key oil installation, and ransacked a foreign bank.<sup>62</sup> After two days of marching, the Saudi National Guard was called in, at the same time as Saudi special forces were invading the Grand Mosque.<sup>63</sup> Over the following days, over two dozen people were killed and hundreds were wounded.

The narrative that came out of the Qatif Uprising was that Iran had reached its long fingers into eastern Saudi territory and stoked discontent among the local Shi'a population. But other groups had been involved as well, including student groups and leftist nationalist groups like the Communist Party of Saudi Arabia.<sup>64</sup> In writing its history, Saudi Arabia was able to dismiss this event as Iranian influence, another inevitable event of the Saudi-Iranian rivalry, rather than a domestic movement with legitimate concerns backed by a diverse coalition. This framing is indicative of the different ways that both Saudi Arabia and Iran have used the story of the rivalry to appeal to a domestic audience and defend the legitimacy of the state.

In 1979, China was worlds away from the political upheaval in the Middle East. Mao Zedong's Cultural Revolution had only ended with his death in 1976. The self-cannibalizing domestic turmoil of the decade-long internal revolution left China internationally isolated. Any outreach China had made with the Muslim world had been undone by the destruction of Chinese Islamic institutions that Mao deemed part of "backward local superstitions." Chinese authorities converted mosques to pig-houses and forced Muslims to publicly consume pork, and Red Guards tortured and beat religious leaders to death with Qur'ans. Only the Soviet invasion of Afghanistan in 1979 would push China to revive its outreach to the Muslim world to counter its old rival in Central Asia.<sup>65</sup>



Even then, the Middle East had yet to come into focus for Chinese foreign policy. China had dabbled in regional diplomacy and Cold War initiatives, most notably training some Palestinian guerrilla fighters.<sup>66</sup> When it came to the Cold War in the Middle East, however, China felt edged out by the Soviet Union, particularly in countries like Syria.<sup>67</sup> The Soviets and Chinese were bitter competitors for supremacy in the international arena.<sup>68</sup> In 1979, Saudi Arabia and Iran were not high on China's foreign policy list. China was not in the immediate orbit of Saudi Arabia or Iran, and each had more important challenges to contend with at the time than relations with the PRC.

China made some diplomatic gestures in the aftermath of 1979. The Chinese Islamic Association—a state-backed religious organization that was utilized to aid Chinese foreign policy—sent a delegation of Chinese Muslims, led by Mohammed Ali Zhang Jie, to commemorate the first anniversary of the Islamic Republic of Iran. A 1981 pamphlet from the Chinese Islamic Association shows members of the delegation participating in Friday prayers in Tehran University Square during celebrations of the anniversary.<sup>69</sup> They were received by Ayatollah Khomeini and Iran's first president, Seyed Abolhassan Bani-Sadr.<sup>70</sup>



*Chinese Islamic Association delegation in prayer at the Tehran University Square during celebrations of the first anniversary of the Islamic Revolution<sup>71</sup>*

One source of kinship between China and Iran is their shared narrative experience of being wronged by the West. China had its “Century of Humiliation,” the hundred-year period between 1839 and 1949 when it was exploited by foreign powers. Iran had been attempting to buck Russian and Western imperialism for a comparable length of time before the 1979 revolution.<sup>72</sup> Even during the shah’s time, CCP leaders praised Iran for its anti-imperialist credentials. The PRC, which itself experienced diplomatic isolation when it entered the world stage in 1949, was ready to receive the new Islamic Republic of Iran, even though some work to repair relations was required.<sup>73</sup> The head of the first high-level delegation from the Islamic Republic in 1981, Seyed Mohammed Ali Hoseyn Khomeini—then a member of the Majlis, Iran’s parliament—eventually would succeed Ayatollah Khomeini as Supreme Leader.

The heightened tensions did not end in 1979, as 1980 brought the Iran-Iraq War. Iraqi leader Saddam Hussein ordered the invasion of Iran on September 22, 1980. The war would be long and bloody, ending only in 1988 with a UN-backed peace process after the deaths of 750,000 Iranians and 250,000 Iraqis. Saudi-American ties only grew stronger during the conflict as a result of the threats to security, which served to antagonize the Islamic Republic. The Kingdom requested the American-made AWACS (Airborne Warning and Control System), which the U.S. supplied along with American air support later in the war to shoot down Iranian planes that crossed into Saudi airspace.<sup>74</sup> The Iran-Iraq War also pushed Saudi Arabia further into the arms of its Arab neighbors. In 1981 the Gulf Cooperation Council (GCC) was formed, along with its military arm, the Peninsula Shield Force.<sup>75</sup> The GCC remains one of the most powerful regional organizations in the Middle East, with membership from the six wealthy monarchies of the Persian Gulf.

Saudi Arabia grew closer to other countries besides its Arab neighbors and the United States during the Iran-Iraq War. In 1986, Saudi Arabia purchased surface-to-surface missiles from China when the United States declined to sell that hardware to the Saudis. The purchase and subsequent cooperation have been credited as one of the deciding factors in the establishment of formal Sino-Saudi

relations in 1990.<sup>76</sup> China also sold weapons to Iran as well as Iraq during the conflict, though the Saudis financed Iraq's purchases. The PRC's role in selling weapons to Iraq earned it a rebuke from the *Tehran Times*, which called China vile (for further discussion of this period, see Part Two: Security Engagement).<sup>77</sup>



Leaders of the six nations of GCC in Kuwait, Saudi Arabia, Nov. 29, 1984. Photo credit: AP Photo, November 29, 1984.<sup>78</sup>

The Saudi-Iranian rivalry took a new turn when Ayatollah Khomeini died in 1989, opening Iran to the glimmer of détente.<sup>79</sup> Domestically, the pragmatist camp in Iranian politics had done well in the 1989 elections, led by President Akbar Hashemi Rafsanjani. This political force in Tehran would provide the starting point for a détente with Riyadh.<sup>80</sup> In June 1991, three years after diplomatic relations had been broken off over the Hajj complaints, Saudi Arabia and Iran resumed normal relations after secret talks in Oman. When Baghdad began ramping up its rhetoric again in 1994, Tehran and Riyadh recognized that containing Iraq would require cooperation between the two. Saudi-Iranian rapprochement, however, was made difficult by Washington's hostile stance toward Tehran. Though the United States blamed Iran for several terrorist attacks in Saudi Arabia, the Saudis never officially leveled a formal charge at Iran, indicating the Kingdom's desire to protect the nascent détente.<sup>81</sup>

This period cemented one of the core tenets of the Saudi-Iranian rivalry—security matters. When it comes to almost any of the factors that have drawn Saudi Arabia or Iran closer together or farther apart, security is prime among them. When Saudi territory and vessels were threatened in the Iraq-Iran War, it retreated from its diplomatic efforts to Iran and drew on assistance from the United States, the avowed enemy of Iran. When Iraq threatened to become a headache for the region in the 1990s, Iran and Saudi Arabia saw the necessity of coming closer together to counterbalance it. Both countries have, for the most part, shied away from directly striking one another. Part of this calculus is that a direct hot war between the two would completely devastate both countries and the Middle East at large. The rivalry is a calculated, careful relationship focused on protecting their respective securities.

This security dynamic is at the root of China's Middle East involvement. China prefers to avoid any interaction in the security of the region. China's place in this story began in the 1990s with the beginning of oil trade (see Part One: Trade and Investment), long after the rivalry had settled into the geopolitical reality of the Middle East. It never had to adapt to the tectonic shift of that year, and neither party indicated it as one of the evils of the region. The matter of timing created a strong foundation for Chinese outreach above the geopolitical fray. This first period of advancement in Sino-Saudi, Sino-Iranian, and Sino-Middle Eastern relations aligns with the cooling period between Iran and Saudi Arabia. In the absence of security snarls, corporate Chinese interests in the region advanced, followed by the state with pushes for diplomatic relations.

The September 11th attacks created a new, more hostile stage in the Saudi-Iranian rivalry and confirmed Chinese fears about the Middle East. The Saudi and Iranian governments condemned the attacks, and both offered logistical and monetary support for the U.S. invasion of Afghanistan in October 2001. At the same time, both worried about escalation to yet another regional war. Soon, developments in the United States antagonized the Kingdom and the Islamic Republic. After it was revealed that 15 of the 19 hijackers were Saudi nation-

als, American public vehemence against Saudi Arabia touched a nerve in Saudi circles.<sup>82</sup> When President George W. Bush called Iran part of an “axis of evil,” Tehran was incensed.

This joint dissatisfaction highlights another aspect of the rivalry—friendship with the United States is complicated. The United States is one of the factors that has propelled the rivalry from the beginning. In Iran’s case, the stark choices made by both it and the United States in 1979 have not allowed for normalization of relations. Even Saudi Arabia, whose government counts itself as one of the United States’ closest partners in the region, has encountered difficulties with its American partners. When Saudi Arabia and Iran have approached one another during periods of relaxed tensions, hardline U.S. policies toward Iran have made rapprochement difficult. Saudi and Iranian officials have cited the United States as a complicating factor in their mutual rapprochement.<sup>83</sup>

China does not have the baggage the United States carries with either the Kingdom or the Islamic Republic. It can and has fashioned itself as a fair alternative to the United States or other Western countries across a variety of sectors. Domestic actors within Saudi Arabia and Iran have latched onto different Chinese projects as an opportunity to demonstrate their independence from or rejection of the United States. This is not the sole motivating factor behind Chinese-Iranian and Chinese-Saudi ties, but it is a place where Chinese, Iranian, and Saudi interests have sometimes converged (see Part Two: Security Engagement).

Regional tensions soared when the United States invaded Iraq in 2003. Saudi Arabia and Iran quickly condemned the American invasion. Both feared that this event could finally bring about the regional war they had been dreading.<sup>84</sup> Unsurprisingly, contemporary Chinese statements on the U.S. invasion of Iraq echo the same fears of instability.<sup>85</sup> China only gave its support to the United States during the UN Security Council vote on the measure after the United States agreed to list the East Turkestan Islamic Movement (ETIM), a Uyghur separatist group, as a terrorist organization.<sup>86</sup>

Another issue came to the fore in the regional political chaos of the Iraqi invasion: Iran's nuclear program. Although Iran had covertly been working on a nuclear weapons program since the end of the Iran-Iraq War, the International Atomic Energy Agency (IAEA) had not investigated until September 2003, after it obtained evidence that Iran had undeclared nuclear facilities.<sup>87</sup> While Iran was in talks with European powers to force its compliance with international nuclear treaties, including signing the Non-Proliferation Additional Protocol, it clandestinely resolved to continue its uranium enrichment. Talks over the next few years were haltingly unsuccessful, and in 2005 the IAEA referred Iran to the UN Security Council.

At this time, hardline groups in Iranian security and intelligence were becoming more vocal. Iran's radical papers began publishing articles condemning Saudi leaders, including King Fahd on the day of his death (August 1, 2005). The conservative Mahmoud Ahmadinejad assumed the presidency the next day.<sup>88</sup> This latest shift in the rivalry is further evidence of another issue present throughout Saudi-Iranian antagonism: domestic audiences matter. A country's foreign policy does not just appear from a black box; domestic politics often influence its friendships and rivalries. Saudi rapprochement with Iran was made possible by the electoral success of the reformist camp in Iran, and later the empowerment of hardliners led to the opposite. Although Saudi Arabia is not subject to an electoral process, instead operating by what is sometimes referred to in Arabic as *bedouqratiya*, or Bedouin democracy, the turnovers in Saudi leadership have impacted the rivalry as well.

Domestic economics are at play for Saudi Arabia and Iran as rentier states. If either state is unable to deliver on promised cradle-to-grave services to its citizens, there will be repercussions. Volatility in the oil market, to which these economies are extremely sensitive, has at times acted as a pressure toward rapprochement and the basis of nascent cooperation. It is economic outreach that makes China appealing to both the Kingdom and the Islamic Republic. If China can help these governments deliver on economic growth, then working with them is acceptable. China can offer them economic opportunities that could



offset challenges to Iranian and Saudi legitimacy. This regime legitimacy is what China views as the root of stable regimes and business partners.

The advent of the Arab Spring in 2011 only made Saudi Arabia more concerned about Iran's role in the region. As authoritarians in the region defamed cross-coalition protest movements as sectarian, many of those movements eventually shattered into sectarian infighting in a self-fulfilling prophecy. The brewing animosity and sectarian barbs traded between Saudi Arabia and Iran helped facilitate this process.<sup>89</sup>

The Arab Spring saw some dramatic reactions in China. Beijing genuinely feared that this democratic fervor might migrate east and encourage China's own internal protest movements. Even U.S. officials speculated that the Arab Spring could migrate to China.<sup>90</sup> At the same time as demonstrations were heating up in Tunisia and Egypt, Weibo was taking off as a social media platform following the Chinese government's 2009 decision to ban Facebook and Twitter. Li Yuan, who at the time was in China with the *Wall Street Journal*, described this period as the "Weibo Spring"—the idea that a new, open forum for discussion had taken the Chinese internet by storm.<sup>91</sup>

In a climate in which Iran and Saudi Arabia were at loggerheads, other regional conflicts became proving grounds for the rivalry. The descent of Syria into chaos after Assad regime's crackdown on 2011 protests made for a natural extension of Saudi-Iranian animosity. Foreign fighters from Saudi Arabia streamed into Syria, along with 20,000 to 80,000 Shi'a fighters serving as Iran's own transnational army in addition to the state support Iran threw behind the Assad government. Iran and Saudi Arabia both contributed to the fight against the Islamic State, all the while accusing each other of funding Islamist extremism.<sup>92</sup> Yemen was the next regional conflict to succumb to proxy warfare as Iran threw its support behind the Houthi rebel faction, while a Saudi-led coalition launched Operation Decisive Storm in 2015.<sup>93</sup>

Back in the global arena, the Joint Comprehensive Plan of Action (JCPOA), better known as the Iran nuclear deal, was adopted in 2015. As a member of the P5+1



(the five permanent members of the UN Security Council, plus Germany) and a nuclear power itself, China was an integral part of the negotiation process (see Part Two: Security Engagement). The nuclear deal deeply worried Saudi Arabia. It hesitantly endorsed the plan, or rather held back from ardent criticism.<sup>94</sup> The Kingdom was less worried about Iran using a nuclear weapon against it than it was about stoking conflicts and terrorism throughout the region. In the Saudi view, the lifting of sanctions as part of the JCPOA could create a cash influx that could empower Iran to meddle on an even grander scale.



*Representatives from Iran and the P5+1 countries<sup>95</sup>*

In 2015, King Abdallah died and King Salman assumed the throne. As crown prince, Abdallah had been a key player in the experiment toward rapprochement in the 1990s, and even though the rivalry had ramped up over the rest of his tenure, he was described by those close to him as ultimately cautious in direct confrontation. Now King Salman and his son, soon-to-be Crown Prince Muhammed bin Salman, had the reins.<sup>96</sup>

Saudi Arabia received relief with the turnover from the Obama administration to the Trump administration.<sup>97</sup> President Donald Trump's first foreign visit was to the Kingdom, where the Saudis gleefully hosted him. The charm offensive the Trump

administration deployed to Saudi Arabia was matched by its hostility for the Islamic Republic. President Trump had campaigned on withdrawing from the JCPOA and appointed hardliners on Iran to key positions.<sup>98</sup> The United States made good on Trump's word and formally announced its withdrawal from the Iran nuclear deal and the resumption of sanctions in 2018. Saudi Arabia welcomed this pronouncement.<sup>99</sup> Iran criticized the U.S. withdrawal and promised to remain in the deal. Almost two years later, Iran too had abandoned portions of the deal, most significantly the limits on uranium enrichment.<sup>100</sup> With the election of President Joe Biden in 2020, there is some optimism that the U.S. and Iran will rejoin the framework, but the fate of the Iran nuclear deal remains uncertain as of this writing.<sup>101</sup>

As it currently stands, the Saudi-Iranian rivalry is in a more dangerous place than ever before. If actors in Saudi Arabia, Iran, the United States, and the international community do not take measures to pull them back from the brink, the two countries might find the appetite for actual war, or at the very least continued years of backdoor conflict. A final aspect that is useful to China has developed over the past two decades—the rivalry can offset or ensure balance in the entire Middle East. The conflict which began with events within each country's borders has now spilled over to the rest of the region. The evidence of this is written in blood in Iraq, Syria, and Yemen. Whether it is a question of ideology or other strategic capabilities, what happens between these two powers has knock-on effects throughout the Middle East and North Africa.

China's ultimate interest in the region is stability. This point is hammered over and over in Chinese statements, diplomatic documents, think tank reports, and interviews. For China, the rivalry operates like a thermostat by which it can monitor and manage its relationships with other parts of the Middle East. If China can maintain warm relations with Saudi Arabia and Iran, it can have warm relations with their partners in the rest of the region. It must export its handling of the rivalry when dealing with other areas in the region where it has an impact. Whether China is willing to advance stability by risking anything in Saudi-Iranian relations is another matter entirely, one where there is little evidence to suggest China will try.



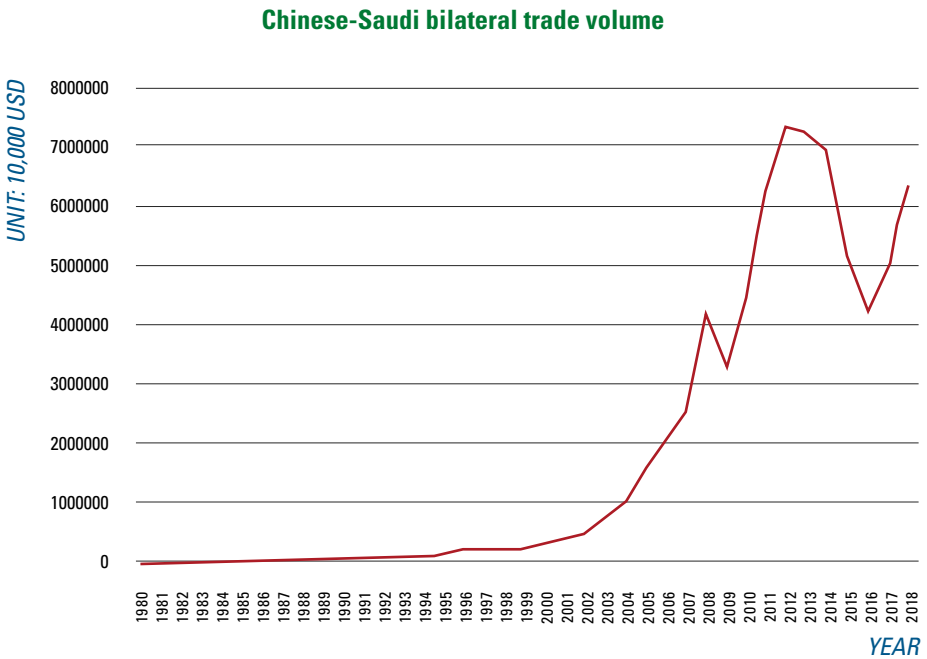
## Part One: Trade and Investment

### Bilateral Patterns

The crux of China's overtures to the Middle East has been the promise of trade and investment. The expectation of bounty from the east has galvanized governments across the region to join with China in business. Saudi Arabia and Iran have sought to capitalize on this movement while watching what the other is doing with China. Despite China's policy of non-interference, trade is not apolitical—for each Gulf nation, many sectors of trade are issues of national security. China historically has dominated the Iranian oil market while protecting booming trade and investment with Saudi Arabia's oil sector, all under the banner of win-win cooperation. This arrangement has been a success so far, but it is not easy to manage. China gets credit for being neutral in its dealings with the two parties, yet it is extremely sensitive to American and multilateral sanctions on Iran. As a result, China has more commercial commitments with Saudi Arabia, while its economic involvement with Iran is both more political and restrained. This is true across BRI deals, infrastructure cooperation, oil trade, telecommunications development, and arms sales.

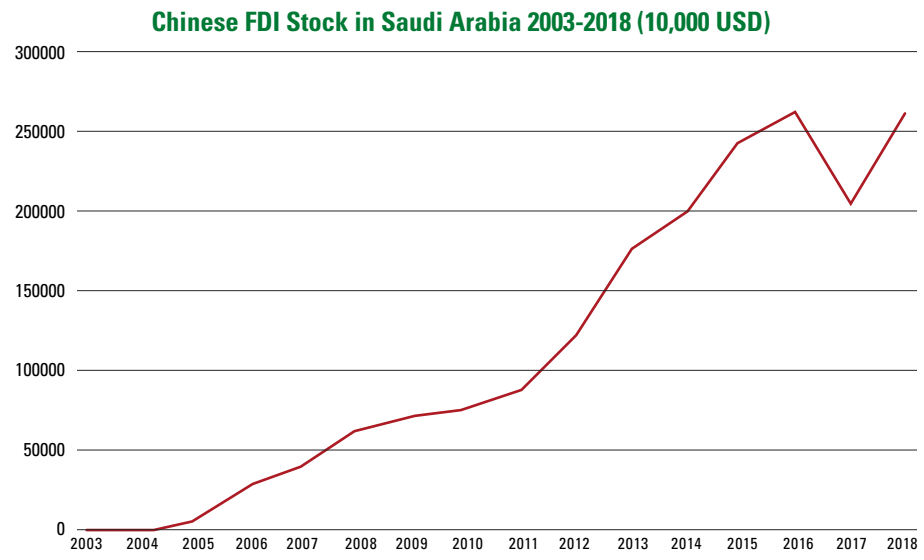
China and Saudi Arabia began trading shortly after establishing official diplomatic relations in 1990. Since then, their bilateral trade has increased in value from US\$266 million in 1990 to US\$63 billion in 2018. China became Saudi Arabia's largest trading partner in 2013, five years after they upgraded their relationship to that of Strategic Partner.<sup>102</sup> The value of trade began to dip in 2014 coinciding with the global drop in oil prices. (Figure 1 shows that the magnitude of Saudi oil exports decreased only slightly during this market turbulence and then recovered.)<sup>103</sup> Saudi Arabia has officially followed a "Look East" policy since 2012.<sup>104</sup>

**FIGURE 1**



Source: Chinese National Bureau of Commerce Yearbook (1980–1999); Chinese National Bureau of Statistics Yearbook (1999–2018)

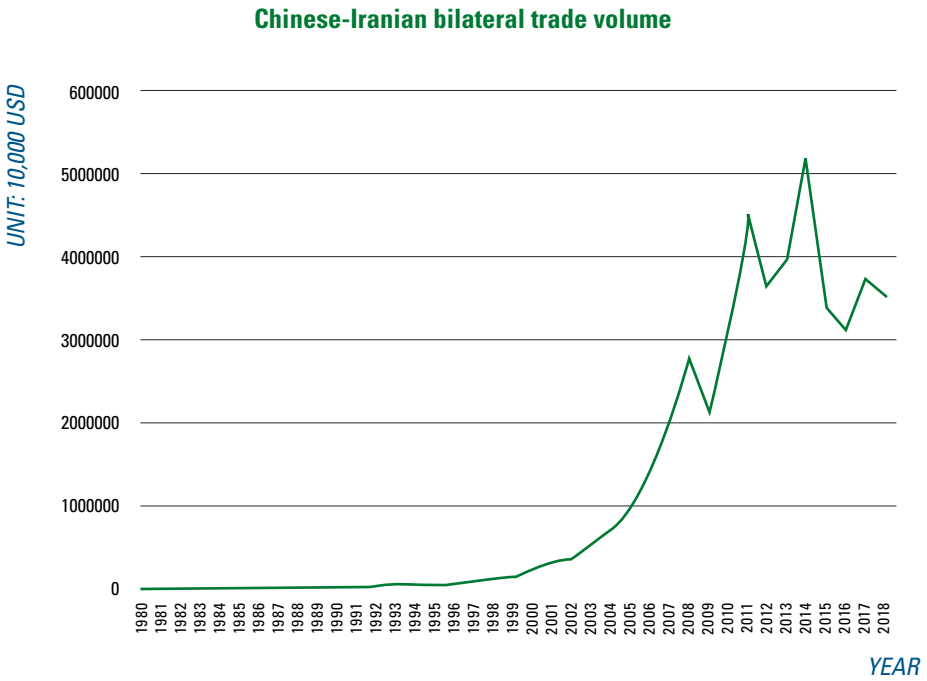
China’s foreign direct investment (FDI) has grown as well in Saudi Arabia, particularly in the sectors described in this chapter (Figure 2). Chinese FDI stock in the Kingdom increased from US\$2.09 million in 2004 to US\$2.6 billion in 2018. Proportional to other countries in the region, Chinese investment in Saudi Arabia is smaller than Chinese investment in the United Arab Emirates (UAE) or Iraq. While Saudi Arabia has been assiduously courting Chinese investment, it is a capital-rich economy and major regional investor—it is not reliant on Chinese investment.<sup>105</sup>

**FIGURE 2**

Source: *Statistical Bulletin of China's Outward Foreign Direct Investment*

Iran, like its neighbor across the Gulf, can boast of increasing trade with China in recent years (Figure 3). In the 1960s and 1970s, Iran and China largely produced the same things—agricultural products, cheap manufactured goods, and raw materials—and China was not in need of petroleum while Iran eschewed outdated Chinese technology. Trade with Iran under the shah had been increasing since the 1950s, especially after the establishment of diplomatic relations between China and the United States in 1971 under President Richard Nixon. But the immediate uncertainty in the wake of the Islamic Revolution saw trade crash from US\$118 million to US\$68 million.<sup>106</sup> Trade between the two began to pick up in the 1990s, growing from US\$313 million in 1991 to US\$35 billion in 2018. China became Iran's main trading partner in 2007.<sup>107</sup>

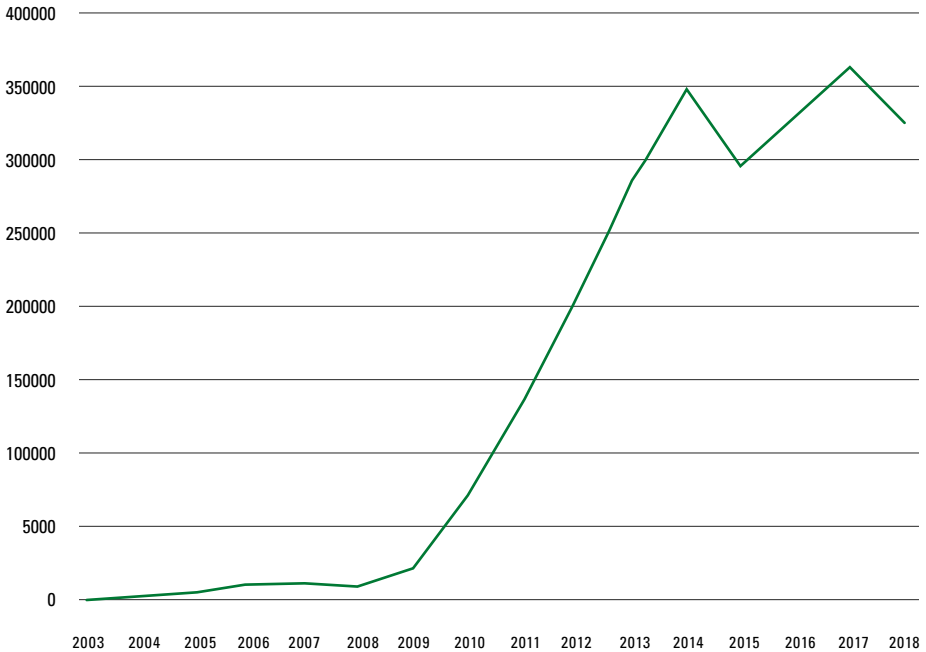
**FIGURE 3**



Source: Chinese National Bureau of Commerce Yearbook (1980–1999); Chinese National Bureau of Statistics Yearbook (1999–2018)

Chinese FDI stock in the Islamic Republic increased from US\$468 million in 2004 to US\$3.23 billion in 2018 (Figure 4). When adjusted as a percentage of gross domestic product (GDP), Iran claims a higher Chinese FDI in the wider region behind the UAE and Pakistan, which are both larger economies.<sup>108</sup> Though conventional wisdom holds that China has been a significant source of foreign capital for Iran as sanctions have driven other partners away, sanctions have had a dampening effect on Chinese investment in the country. China does not cheer on Iranian sanctions like Saudi Arabia does, but Beijing is not entirely the steadfast friend it promises to be. As will be explored in this section, the Sino-Iranian partnership in trade and investment is riddled with mutual economic and political insecurities.<sup>109</sup>



**FIGURE 4****Chinese FDI Stock in Iran 2003-2018 (10,000 USD)**

Source: *Statistical Bulletin of China's Outward Foreign Direct Investment*

## The Belt and Road Initiative Across the Persian Gulf

These pioneers won their place in history, not as conquerors with warships, guns, or swords. Rather they are remembered as friendly emissaries leading camel caravans and sailing treasure-loaded ships. Generation after generation, the silk routes travelers have built a bridge for peace and East-West cooperation.

—CCP General Secretary Xi Jinping, Belt and Road Forum, 2017<sup>10</sup>

In September 2013, Xi Jinping took to the flower-strewn stage at Nazarbayev University in Kazakhstan and spoke of jingling bells on camels laden with goods

and wisps of smoke rising from desert campfires.<sup>111</sup> This speech was the beginning of China's BRI, an economic and political union that, despite its clunky name, has promised to remake Eurasia. The BRI is the calling card of a rising China. It was officially added to the PRC's constitution along with the other tenets of "Xi Jinping Thought" in 2017.<sup>112</sup> The BRI has developed into a major diplomatic and economic initiative to connect China over land and sea to over 130 countries and 29 international organizations.<sup>113</sup> In the BRI, six economic corridors have been identified as the focus of cooperative infrastructure projects.<sup>114</sup> Iran and Saudi Arabia, along with the rest of the Middle East, fall into the scope of the China–Central Asia–West Asia Corridor. Saudi Arabia and Iran are among the founding members of the BRI, and both nations sent ministers to the Belt and Road Forums in Beijing in 2017 and 2019.<sup>115</sup> Saudi Arabia has also signed on to the BRI through the League of Arab States. Xi has stressed the importance of the BRI in meetings with the Organization of Islamic Cooperation, of which Iran and Saudi Arabia are both members.<sup>116</sup>

Both Saudi and Chinese officials are quick to point out that China's BRI complements Saudi Vision 2030 (see "Saudi Vision 2030"). The first time Saudi Arabia presented Saudi Vision 2030 on the international stage was at the G20 summit in Hangzhou, China, which gave diplomatic officials a chance to buttress bilateral ties with affirming rhetoric. After the Hangzhou summit, China and Saudi Arabia created a joint commission to strategically integrate the two plans. Chinese media has a largely positive view of Saudi Vision 2030. In 2017, during King Salman's visit to Beijing, Chairman Xi expressed his support for Saudi Vision 2030.<sup>117</sup> During that same visit, the crown prince told the Saudi Press Agency that, "The Silk Road Initiative and China's strategic orientation are very much in line with the Kingdom's Vision 2030."<sup>118</sup> After the second Belt and Road Forum in 2019, the Saudi Cabinet endorsed the BRI's commonalities with Saudi Vision 2030.<sup>119</sup> However, one Chinese article on Saudi Vision 2030 notes that Saudi Arabia's increasingly hostile relationships with its neighbors will likely hinder the BRI's compatibility with the economic development plan and China's efforts in the Middle East.<sup>120</sup>

## Saudi Vision 2030

Saudi Vision 2030 (رؤية السعودية 2030) is the Kingdom's ambitious plan for economic diversification and national development. It is not the first economic development plan created by the Saudi government, but is certainly the most significant at present. Launched in 2016 by now-Crown Prince Muhammed bin Salman under the Council of Economic and Development Affairs, Saudi Vision 2030 has three themes: a vibrant society, a thriving economy, and an ambitious nation.<sup>121</sup> One of the primary objectives of Saudi Vision 2030 is the "Saudization" (السعودة/النطاقات) of its workforce, meaning greater employment of Saudi citizens in jobs typically held by foreign nationals via an enforced quota system. Another aspiration is increasing the private sector's role in the economy, increasing its contribution to GDP from 40 percent to 65 percent.<sup>122</sup> Both goals seek to ameliorate Saudi Arabia's economic over-reliance on the state. While it has a broad range of development goals, the project is chiefly an attempt to diversify Saudi Arabia's economy away from its dependence on oil revenue. The oil and gas sector accounts for 50 percent of Saudi GDP and 70 percent of export earnings.<sup>123</sup> The plan has inspired similar economic "Vision" plans in the Gulf and Arab world.

Iran likewise has sought to capitalize on the BRI to enhance its relationship with China. In June 2020, a document entitled "Final Draft of Iran-China Strategic Partnership Deal" (Draft CSP) began circulating on Iranian media, ostensibly leaked by the Iranian Ministry of Foreign Affairs.<sup>124</sup> The document promises "an increasing Iranian role in the Belt and Road Initiative" through infrastructure construction as a fundamental tenet of the relationship. The Draft CSP promises special economic zones, more Chinese bank branches in Iran, and a joint China-Iran bank, all under the umbrella of the BRI.

Many projects can be labeled as expanding cooperation across the Silk Road. This is useful for Chinese and local officials and businesspeople who are eager for their projects' statuses to be elevated rhetorically and for the chance to snag

some extra investment. The BRI is just as much a messaging strategy as an economic one.<sup>125</sup> There are several sources of BRI capital. One is the Asian Infrastructure Investment Bank (AIIB), of which Saudi Arabia and Iran are members; Both signed on to the multilateral institution as founding members in June 2015. Another source of BRI capital is the Silk Road Fund, which has financed projects in Saudi Arabia but not Iran. The Silk Road Fund acquired a 49 percent stake in ACWA Power's renewable energy division in 2020.<sup>126</sup> The president of the Silk Road Fund has had meetings with high-level Saudi officials, such as the minister of energy in 2019.<sup>127</sup> The Industrial and Commercial Bank of China (ICBC) opened a branch in Riyadh in 2015 after opening branches in Dubai, Abu Dhabi, and Doha over the previous seven years.<sup>128</sup> In 2016 in the wake of the JCPOA, ICBC began making inquiries into opening branches in Iran along with other international banks.<sup>129</sup> To date, it appears ICBC has not secured the promised branch in the fallout of the reimposition of American sanctions.

### ***The Myth of the Silk Roads***

A major theme of China's marketing of the BRI to its neighbors, including Iran and Saudi Arabia, is the stories handed down from the time of the original silk roads (see "The Ancient Silk Roads: China, Persia, and Arabia"). In Xi Jinping's original speech announcing the BRI, he told the story of different Chinese explorers driven by the allure of sprawling commerce and cultural exchange. Xi holds up the example of historical envoys like Zhang Qian. Zhang is chronically referenced in the context of Chinese ties to West Asia as a pacifist explorer. In an op-ed published in the Saudi paper *al-Riyadh* prior to his 2016 state visit, Xi called upon the legacy of caravans from the Seljuk Empire and extolled the virtues of Zheng He and his travels to Mecca, Medina, and Jeddah.<sup>130</sup> In an op-ed published in an Iranian newspaper at the same time before his coming state visit, Xi spoke of Chinese silks woven into Persian carpets and the Persian influence on Chinese blue-and-white porcelain.<sup>131</sup> The opening of the Draft CSP acknowledges the two parties as "two ancient civilizations in Asia" and "two splendid civilizations in Asia."<sup>132</sup> These talking points are reflected by Saudi and Iranian representatives as well. An

op-ed in the Saudi-owned paper *al-Arabiya* published during Prince Muhammed bin Salman's 2019 visit to Beijing extolling rising Sino-Saudi ties ran under the headline "Saudi Arabia and China: the Vision and the Silk Road."<sup>133</sup> Saudi artist Ahmed Mater created a piece entitled "Silk Road" that was presented as a gift to Xi Jinping during Crown Prince Muhammed bin Salman's visit to China.<sup>134</sup> Iranian Minister of Cultural Heritage and Tourism Ali-Asghar Mounesan highlighted Iran's historical place in the Silk Road as credentials for its participation in the BRI.<sup>135</sup>

### **The Ancient Silk Roads: China, Persia, and Arabia**

The Silk Road is neither an actual road nor a strict period of time. It is a phrase coined by German geographer Ferdinand von Richthofen in the 19th century. It is an amorphous concept used to describe the connections of different societies across a vast continent motivated by strategic concerns of economics and security.<sup>136</sup> The first recorded contact between China and Persia were the expeditions of Zhang Qian during the reign of Emperor Wudi of the Han Dynasty (141–87 BCE). He brought back descriptions of the Western world to the emperor. Of particular interest to the Chinese emperors were Persian horses, as they deemed them better than Mongol mounts.<sup>137</sup> Along with the horse trade came jewels, silk, porcelain, silver coins, jade, and peaches.<sup>138</sup> The Arab Abbasids and Chinese Tang expansion into Central Asia led to the only military conflict between China and Arabia—the Battle of Talas in 751, which the Tang lost.<sup>139</sup> This conflict is not treated as a great civilizational clash, but rather as the inevitable sparring of two empires operating in the same territory. The rise of the Mongols disrupted Chinese relations with Arabia, but the advent of the Ming Dynasty in 1368 ushered in an era of great expeditions between the two. The Moroccan explorer Ibn Battuta went much further afield than required by the Hajj pilgrimage and wrote of his travels in China. Likewise, the Muslim sailor Zheng He was appointed by the Ming Emperor to conduct voyages to establish diplomatic relations with China's neighbors and gain political intelligence.<sup>140</sup>

Almost every official working in Chinese-Middle Eastern relations will reference the time of the Silk Road as the foundation of the present day's successful ties.<sup>141</sup> Yet China, Saudi Arabia, and Iran are all radically different states today than the empires and caliphates along the Silk Road. The brief historical survey from which figures and events are chosen for BRI speeches does not capture the length or complexity of ties between China and different Middle Eastern polities. These stories do not include the rise of communism, the discovery of oil, or the toll of colonialism—all factors that are indispensable to the modern political realities of these nations. Each one, however, touts this shared heritage as the foundation of ties today and an aspiration for the future.

Based on surviving records, it might be natural to conclude that Chinese, Arab, and Persian interaction along the Silk Road produced only positive results, other than the hiccup at Talas.<sup>142</sup> It is important to remember that in most cases, it was the state that was responsible for the record-keeping and patronage of historians. State interests influenced these histories, including reaping the profits of commerce, using global context to gain domestic political points, and protecting each state's security.

The mythologized narrative of the Silk Road has been revived as the BRI today for the same reasons. Whether it is promoted in Chinese, Arabic, Farsi, or English, the BRI is shorthand for unscrutinized commercial interests. Trade is not included in China's non-interference doctrine because, in PRC policy, it is apolitical and peaceful (see Introduction). This modern policy approach has been used to retell Silk Road history. In the context of the Saudi-Iranian rivalry, this story has the benefit of encompassing both Persia and Arabia in scope as equals. Compared with the loaded regional history of Europe and the United States, the myth of the Silk Road makes China an attractive partner indeed. Besides these historic ties that have taken on a rosy nostalgia, the BRI is loosely defined. It is the perfect, fluid platform on which to base a new transnational initiative, one that can serve the interests of China, Saudi Arabia, and Iran simultaneously.

Another interesting note to take from this narrative is that the Middle East may be the only region where China's ancient ties are based in friendship. China's history with its neighbors is replete with gripes. China has viewed Korea as a subordinate state, Japan as a war-hungry opponent, and India as a source of contention over Tibet.<sup>143</sup> This historical context provides a unique foundation for China's activity in the Middle East that does not exist anywhere else in the world. China can look to this region without any civilizational debts to settle, only with business to conduct.

### ***Infrastructure: Metro Diplomacy***

As both Iran and Saudi Arabia claim to be the geographic linchpin for the BRI between Central Asia, Africa, and Europe, a survey of infrastructure cooperation between China, Iran, and Saudi Arabia is warranted.<sup>144</sup> An illustrative case study is China's forays into rail diplomacy in the Gulf. High-speed rail diplomacy refers to state-led initiatives to pursue high-speed rail contracts abroad in order to project broader political influence and deepen bilateral ties.<sup>145</sup>

The first major Chinese infrastructure project in Saudi Arabia is freighted with enormous Islamic significance.<sup>146</sup> In 2009, the Saudi branch of the China Railway Construction Corporation (CRCC) won a contract to construct an 18-kilometer light railway linking Mecca and Medina, the first Chinese rail project in the Arab world. It was nicknamed the Mecca Metro, and CRCC and China South Locomotive and Rolling Stock were involved in the project as part of a consortium. The vice general manager of CRCC said that the light rail system safely operated trips for 2.5 million pilgrims during the Hajj season. CRCC operated the rail line from 2010 to 2014 and handed over operations to the Saudi government in 2015. In 2019, CRCC took up the reins again when it entered a new operations contract worth \$93 million.<sup>147</sup> By 2028, Mecca Metro hopes to be responsible for 30 percent of Mecca's public transport.<sup>148</sup> In an interview with a Saudi paper to commemorate 30 years of Chinese and Saudi diplomatic relations, China's ambassador to Saudi Arabia held up the Mecca Metro as a hallmark of Sino-Saudi cooperation.<sup>149</sup>



CRCC has a second rail project aimed at further expediting travel between Mecca and Medina: the Haramain High-Speed Rail project. Named for the two main cities it services, the Haramain express is a bullet train that reaches speeds up to 360 kilometers per hour and can transport about 60 million passengers per year.<sup>150</sup> A Spanish company designed and built the railroad's rolling stock.<sup>151</sup>



*Pilgrims on the Mecca Metro*<sup>152</sup>

With the PRC's hostile attitude toward religion, pursuing rail in the geographic heart of Islam could appear out of step with Chinese policy objectives. But if there is an ideological clash between theocratic Saudi Arabia and communist PRC, profit wins—it is the basis of the entire Sino-Saudi relationship. Moreover, aside from promised profit, the branding opportunity for China in Hajj is enormous. Pilgrims from all over the world are boarding these trains during one of the holiest experiences of their lives. After riding the Mecca Metro during Hajj in 2018, one Egyptian pilgrim remarked, "China is known for building impressive infrastructure and connectivity projects. It is no surprise that they have done a wonderful job in building and operating the Mecca Metro."<sup>153</sup>

The construction of the first Mecca railroad, however, did not run as smoothly as its train cars eventually would. Despite all the symbolism and references

from diplomats, the Mecca Metro was a disaster for CRCC. The project ran into massive construction delays as the result of technical problems, and by the time of its completion it had lost approximately RMB 4.15 million. The political nature of the project put enormous pressure on CRCC to deliver. When the project began encountering difficulties early on, CRCC opted not to renegotiate (as is industry standard) but instead rushed ahead at great cost. Although CRCC representatives said that the project was merely commercial in nature, others involved in the project said that it was rushed because of a halted project would have a potential negative influence on the entire Muslim world and future Middle East projects. There was a severe anxiety that a termination or delay in the Mecca Metro might leave the Middle East and Arab markets with the impression that Chinese firms were not capable of completing projects fully or on time. China's entire railway system threw its support behind the stalling project. The minister of railways took on the role of the head of the Mecca Light Railway Project Leadership group, and the vice minister became the vice head. According to one employee on the Mecca project, the Ministry of Railways even temporarily suspended its funding for all CRCC projects in China to express its disappointment with the slow progress in Mecca. Engineers and other technicians were pulled from projects in China to aid in the Hijaz, and domestic Chinese projects were delayed as a result. At the time, CRCC said it would not cease its cooperation with the Saudi government, even though it had incurred mammoth losses. Thus far, the company has lived up to that promise.<sup>154</sup>

Chinese rail diplomacy reached Iran before rail diplomacy was even recognized as a trademark Chinese international enterprise. Iran had been trying to build a subway system in Tehran since 1981. In 1991, Chairman Yang Shangkun visited Iran, and President Rafsanjani invited Chinese companies to bid on the Tehran subway project. In 1992, the \$328 million contract for the first two lines of the metro was awarded to China International Trust and Investment Corporation (CITIC). This was the first overseas metro project taken on by a Chinese firm, and it made Iran the first Middle Eastern country with a subway.<sup>155</sup>

CITIC provided the electrical and mechanical systems for the metro and used local companies for 76 percent of the power, railway, mechanical, and electronic products. The rest of the equipment came from European suppliers.<sup>156</sup> Some Tehran residents doubted whether a Chinese company could provide high-quality machinery, reflecting the widespread attitude among Iranian consumers and manufacturers that Chinese goods are inferior to European ones.<sup>157</sup> The Iranian government was satisfied with the product, however, and CITIC was contracted again to build the Tehran Sadeghiyeh Subway Station for \$250 million in 2006.<sup>158</sup> Norinco, a Chinese industrial conglomerate and major supplier of mechanical and electronic goods to Iran, won a \$680 million contract to build one of Tehran's subway lines in 2004, although the deal was beset with so many negotiation issues that Beijing had to step in and provided a letter of credit to finance the project.<sup>159</sup> CITIC Tehran Metro Headquarters Chief Executive Shao Xiquan told *China Daily* that "the success of the project will help open a new market for China in the Middle East region."

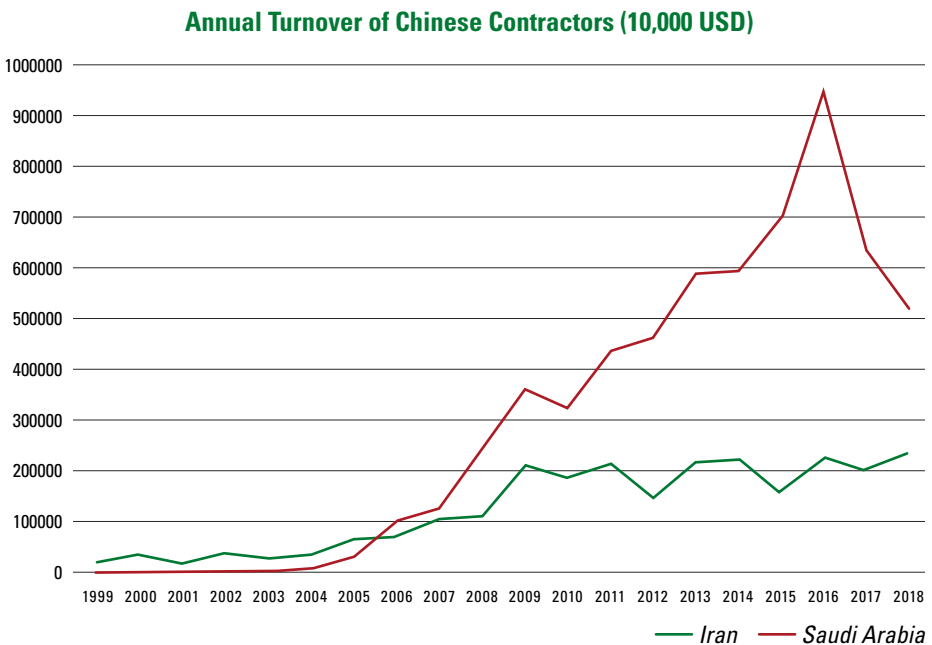


Tehran Metro. Editorial credit: joyfull/Shutterstock.<sup>160</sup>

It can be difficult to quantify how profitable—or not—different BRI overseas infrastructure projects actually are. One method is to examine the turnover on Chinese contracted projects by country as reported in the *China Statistical Year-*

book from 2013 to 2018 (Figure 5). This is illustrative because of China's propensity to require Chinese contracting firms to work on its infrastructure deals. In comparative turnover, earnings from Iran are dwarfed by earnings from Saudi Arabia. Chinese firms earned an average of \$210 million per year, less than one-third of the average earning rate in Saudi Arabia.

**FIGURE 5**

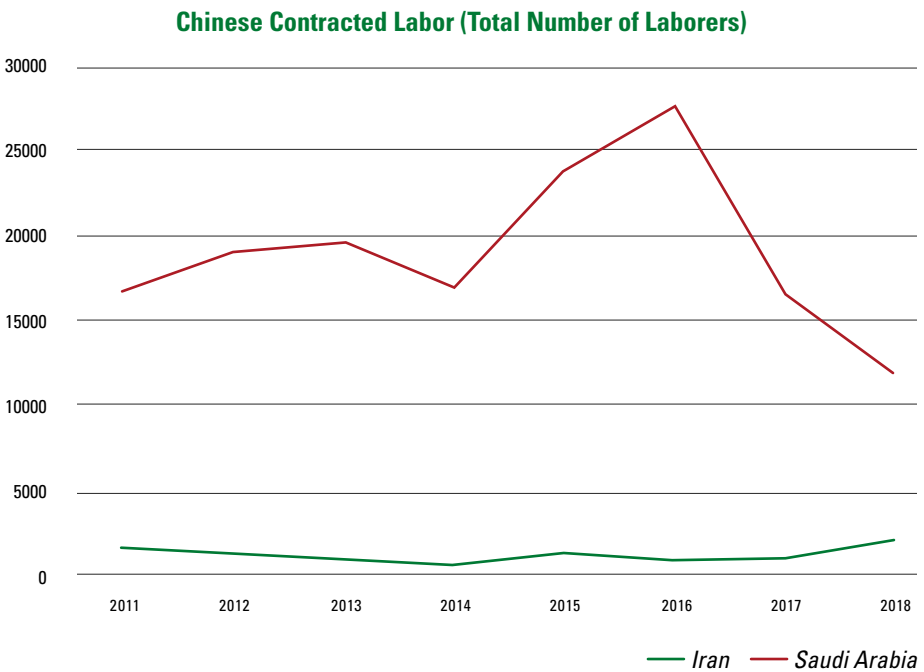


Source: *China Statistical Yearbook*

Another visible sign of BRI commitment is the amount of Chinese labor dispatched overseas (Figure 6). The number of Chinese laborers sent to work on infrastructure projects in Iran averaged just 1,300 annually between 2011 and 2018, less than Iraq, Pakistan, Turkey, and the UAE during the same time. Saudi Arabia outstrips Iran with Chinese contracted labor, averaging 19,000 annually during this period.<sup>161</sup> The dearth of Chinese contractors in Iran could partially be

due to local Oil Ministry stipulations that Iranians be hired on projects, but that cannot account for such a drastic difference.<sup>162</sup> Saudi Arabia has stipulations about Saudis working in companies after Saudi Vision 2030, which may partially account for the decrease in Chinese contracted labor beginning in 2016.

**FIGURE 6**



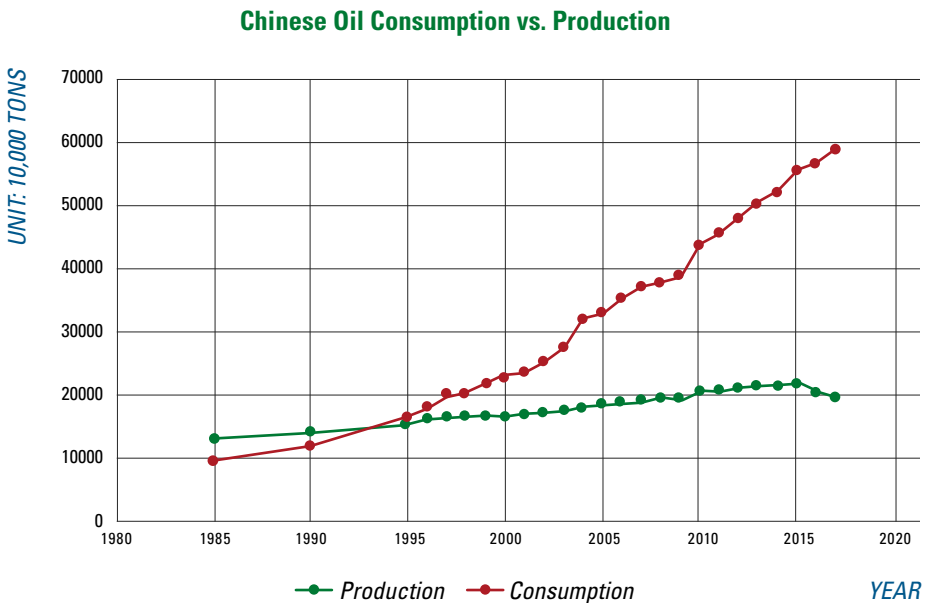
Source: China Statistical Yearbook

Although projects in the Kingdom are more profitable when compared to Iran and more personnel are deployed to the Arab Peninsula, Chinese investors are leery of sinking funds in Saudi Arabia. The losses of the Mecca Metro are still fresh in the mind of Chinese businesses. When the Wenchuan Earthquake devastated Sichuan Province in 2008, Saudi Arabia donated \$50 million in disaster relief and flew in \$10 million worth of relief goods.<sup>163</sup> Chinese investors joked that they were finally seeing the profit from their Saudi ventures.<sup>164</sup>

## Oil and Gas: The Lifeblood of Ties

Almost every descriptor for magnitude has been applied to the oil trade between China and the Persian Gulf. China's energy consumption has accelerated to match its growing needs in industry, transportation, and construction (Figure 7). Domestic production could not meet rising demand—China became a net oil importer in 1993. China imports 70 percent of its oil, a number expected to rise to 80 percent by 2030.<sup>165</sup> It has been trying to stem the flow of foreign oil in its market by making investments in its domestic market, but those are not expected to make a dent in Chinese oil imports any time soon.<sup>166</sup> In this vein, energy outward direct investment is a key component of the BRI.<sup>167</sup>

**FIGURE 7**



Source: Chinese National Bureau of Statistics Yearbook

Iran and Saudi Arabia have risen to provide petrochemicals for China's development. But now China and its towering economy are subject to the volatility

of international petropolitics, a field impacted by the Saudi-Iranian rivalry. China above all seeks to maintain a diverse energy portfolio and have a bearing on the market as the world's largest energy importer and its second-largest consumer. Whether China has garnered more than glancing respect from the Saudi oil establishment has yet to be seen. Iranian oil requires Chinese trade, but for China, Iran represents a significant amount of liability. That liability does present some opportunities for China politically, but it makes the energy business complicated. This situation is further compounded by the difficult experience of Chinese investment in Iranian oil and gas. China has become significantly reticent in its energy cooperation with Iran and has taken circuitous measures to avoid sanctions.

## ***Saudi Arabia***

***Saudi Arabia is an energy pearl along the Belt and Road.***

—Dai Houliang, Chairman of the Board and Secretary of Party Group, Sinopec, 2019<sup>168</sup>

***China is Saudi Arabia's largest trading partner. Saudi Aramco is honored to be China's largest energy supplier. Yasref oil refinery is the product of win-win cooperation between Sinopec and Saudi Aramco. It is also part of our strategy of expanding and diversifying our domestic and international assets.***

—Khalid al-Falih, CEO of Saudi Aramco, 2016<sup>169</sup>

Saudi Arabia's turn to the east for oil markets is often framed as a new phenomenon, but this move has been in development for some time. In 1989, then-CEO of Aramco, Ali al-Naimi, sent a two-person team to China to gain insight as to whether the country was a place for business. They came back with reports of a "country filled with bicycles, hundreds and thousands of bicycles." Their assessment concluded that there was no future for cars in China or potential growth in consumer spending. Not completely deterred, al-Naimi visited China the next year with then-Oil Minister Hisham Nazer on a trade tour of Asia. Their

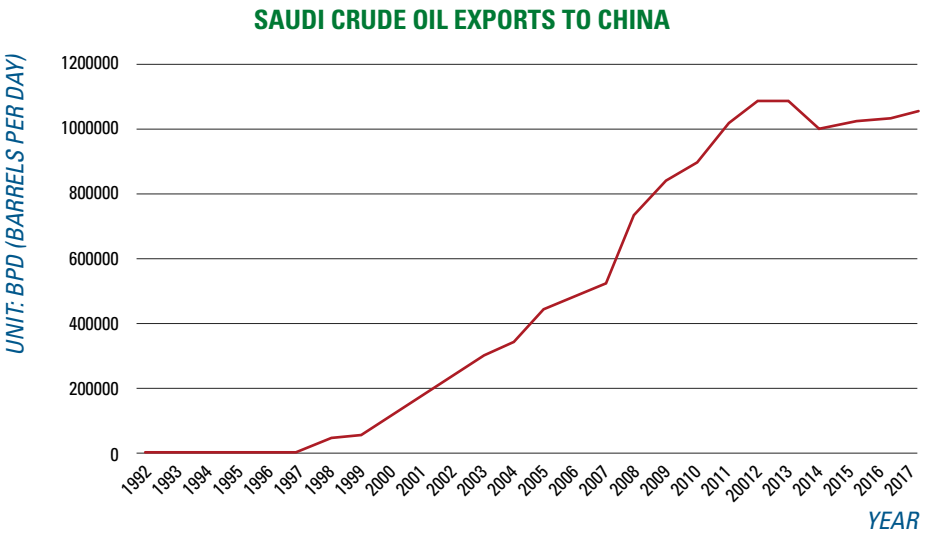


arrival in China confirmed the initial reconnaissance report—the two-lane road from the Beijing airport was jammed with hundreds of bicycles and rickshaws. Their tour left them with the sense that Japan, Korea, and Indonesia were more important potential areas of growth.

Later visits convinced al-Naimi of the country's fast development and potential for profit. China approached Aramco over the next few years to begin purchasing oil in bulk, up to 1 million bpd. This was a tall order for Aramco in the early 1990s. However, even though Beijing's talks with Aramco began in 1992, it took longer for them to reach cooperation than any of the contemporary negotiations in Korea or Japan. Al-Naimi attributed this to the cumbersome nature of Chinese bureaucracy. During one memorable exchange, al-Naimi, an enthusiastic outdoorsman who often dragged business partners on challenging hikes, expressed interest in hiking the Great Wall of China. The Chinese negotiators protested that it was too difficult a trek, saying only "real men" climbed the wall. Eventually, the Saudi team talked their Chinese hosts into the hike. While on the trail, al-Naimi insisted they take the difficult route on the wall instead of the paved one for tourists. One Chinese counterpart, who had worn a suit to the hike, was forced to wait at the bottom while the Saudi team and the rest of the Chinese contingent made the summit. After the hike, the Chinese team seemed more impressed with the Saudi negotiators, at least in al-Naimi's eyes.<sup>170</sup>

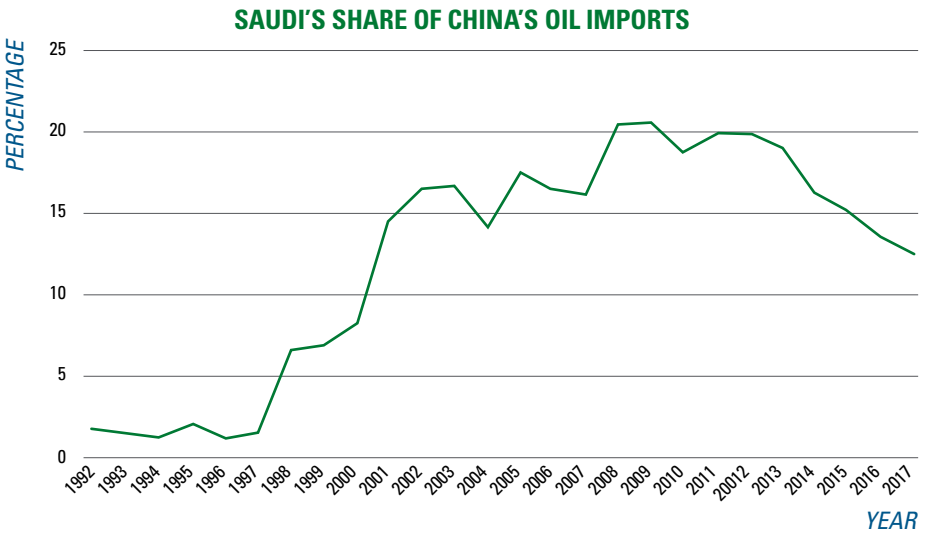
A baseline level of cooperation between China and Saudi Arabia began in 1999 after Chinese leader Jiang Zemin conducted a state visit to the Kingdom and signed the inaugural Strategic Oil Cooperation Agreement.<sup>171</sup> The cooperation agreement created a cross-investment environment in which the Kingdom opened portions of its upstream market to China, and China opened its refining and marketing sectors to Saudi Arabia. This agreement laid the groundwork for the commercial interlinking of Chinese and Saudi oil ventures (Figure 8, Figure 9).

**FIGURE 8**



Source: UN Comtrade – Asia Pacific Energy Portal<sup>172</sup>

**FIGURE 9**



Source: UN Comtrade – Asia Pacific Energy Portal<sup>173</sup>

Cooperation began to flow between the two in earnest with the Fujian Refinery and Petrochemical Complex on China's southern coast. In 2007, Saudi Aramco concluded years-long negotiations with the Chinese state-owned oil company Sinopec for a 25 percent share in an expansion on the previously existing Fujian refinery worth \$3.5 billion. The American oil company ExxonMobil also participated in the deal. Aramco gained access to the Chinese downstream market by opening and operating 1,000 gas stations in Fujian province.<sup>174</sup> In exchange, China received a 30-year contract for 30,000 bpd of Saudi crude oil. The expanded plant began operations in 2009 and boosted the Fujian refinery's capacity from 80,000 to 240,000 bpd.<sup>175</sup>

The tide of cooperation flowed in the Arabian Peninsula as well. In 2000, Sinopec won its first bid for a Saudi Aramco onshore drilling project. By 2019, Sinopec had 55 drilling rigs in the Kingdom.<sup>176</sup> In 2004, Sinopec Service Saudi Arabia was officially created.<sup>177</sup> That same year, Sinopec established a natural gas exploration and development joint venture with Aramco to dig seven wells in the Rub al-Khali Desert.<sup>178</sup> At the time, analysts called the venture more of a symbolic gesture, given Sinopec's lack of expertise in natural gas.<sup>179</sup> By the time the last well was dug in 2009, the project had not found any flows of commercial value and exceeded its originally projected cost of \$300 million. Royal Dutch/Shell, French Total, and other international oil companies (IOCs) had attempted to find natural gas in the Empty Quarter during the same time frame.<sup>180</sup> Sinopec only returned to natural gas in 2016 when it won a contract to construct five treatment lines for Saudi Aramco's natural gas project in Fadiri.<sup>181</sup>

In 2011, Sinopec became involved in Aramco's plans to expand its offshore drilling capacity in Manifa, north of Dammam near the border with Kuwait. The Manifa Project was a bid to create artificial islands to work with onshore drilling efficiency in shallow waters. The project was fast-tracked by Aramco to satisfy the needs of the expanding Asian market in the wake of the 2008 global financial crisis.

In 2014, Sinopec joined Aramco and invested \$8.6 billion to build a refinery in Yanbu on the coast of the Red Sea under the moniker Yanbu Aramco Sinopec

Refining Co. Ltd., more commonly referred to as Yasref. Saudi Aramco owns 62.5 percent of the venture; Sinopec owns the remaining 37.5 percent. The refinery, which became operational in 2016, processes Arabian heavy crude oil to produce transportation fuels, including ultra-low-sulfur diesel and low sulfur gasoline. The facility distills 400,000 bpd of crude along with other refining processes like hydrocracking and delayed cooking. In 2016, Xi Jinping met with King Salman to announce a \$10 billion expansion of the refinery. The plant employs 1,472 people, 1,114 of whom are Saudis, in line with Saudi Arabia's Vision 2030 goal of a "Saudi-ized" workforce. Yasref is often touted as the exemplar of win-win cooperation between China and Saudi Arabia as part of the BRI.<sup>182</sup>

In addition to these facilities, Sinopec built a research and development center in Dhahran Technology Valley in 2016 that engages in basic prospective and application technology. The center was completed in 2019. Sinopec has a training center in the Kingdom in operation as well that conducted nearly 100,000 trainings by the end of 2018. Sinopec has signed agreements with local universities and secondary vocational schools to employ Saudi graduates.<sup>183</sup>

Outside of oil and gas collaboration, the Saudi petrochemicals manufacturing giant SABIC (Saudi Arabian Basic Industries Corporation) has joined hands with multiple Chinese state-owned enterprises (SOEs) to construct plants within China since 2005.<sup>184</sup> In 2017, SABIC entered an equal joint venture with Sinopec and was contracted to build a new polycarbonate plant in Tianjin. In 2020, Saudi Aramco acquired a majority stake (70%) in SABIC from the Saudi Public Investment Fund in a purchase of \$69.1 billion.<sup>185</sup> That same year, the plant in Tianjin became operational.<sup>186</sup>

In 2017, during China's Belt and Road Forum, Saudi Aramco reached a deal with the Chinese defense conglomerate Norinco (China North Industries Group Corporation Limited) to build a refinery and chemicals facility in the city of Panjin in northeastern China. The project was estimated to be worth about \$10.09 billion and will include a 300,000-bpd refinery and ethylene complex

with an annual capacity of 1 million tons. Saudi Aramco touted the deal as the largest foreign joint venture a Chinese company has made.<sup>187</sup> The deal includes a plan to set up a fuel retail business marketing venture between Aramco, North Huajin, and Liaoning Transportation Construction Investment Group Co.<sup>188</sup>

This is the most significant and perhaps only deal between Saudi Aramco and a foreign defense conglomerate. It should not be interpreted as a move into the defense space, but rather as part of Aramco's downstream strategy to grow its refining and petrochemicals capacity. In the Aramco-Norinco initiative, as in all Aramco initiatives, profit is king and politics are secondary.<sup>189</sup> However, the economic strain of the COVID-19 crisis has forced Aramco to put the Norinco project on hold.<sup>190</sup> The halt on the petrochemical refinery in China is just one of the global diversification projects Aramco has been forced to abandon, including a planned expansion at the Motiva refinery in Texas and a natural gas deal with Sempra Energy.<sup>191</sup>

Saudi Arabia and China are clearly enmeshed when it comes to the energy business. For most of the past 20 years, Saudi Arabia has been the greatest exporter of oil to China, beating out Angola in 2007 and occasionally flirting with Russia for the top spot.<sup>192</sup> Part of this trend is due to the nature of the global energy market change over the past 20 years. Increasing Chinese consumption, as part of the increasing demand in Asia, foretold that growth would not come from North America or OECD (Organization for Economic Cooperation and Development) countries.<sup>193</sup> Moreover, the shale revolution in the United States changed the global geopolitical economy of energy. It decreased the United States' utility for foreign oil, and enabled Europe to purchase oil from the United States.<sup>194</sup> These market factors dictated that Saudi Aramco pivot to China, along with other oil powers like Russia, which has the added geographic advantage of direct pipelines to the PRC.

Saudi Aramco is acutely aware of international competition that results from China's energy diversification strategy along with other pressures on their

business, like the drop in U.S. demand. One upcoming concern is the electrification of China's transportation system, over 90 percent of which currently relies on crude oil products. The specter of electric vehicles looms, as does the specter of renewable energy. Arguably, Saudi Aramco has traded refineries in China with promises of upstream access to remain relevant in China's global energy strategy.<sup>195</sup>

Despite roaring trade and a rich portfolio of joint ventures on both Chinese and Saudi soil, the relationship between Saudi Arabia and China in the oil sector is not flawless. By the numbers, the two are suited for partnership as the world's largest net oil importer and the petrostate with the world's second-largest proven oil reserves.<sup>196</sup> But the numbers are the only real glue holding the partnership together, which has been both a blessing and a curse for the Sino-Saudi relationship.

Despite all the diplomatic talks and cross-cultural events, it has been challenging to make people-to-people connections. By dint of the volume of Chinese-Saudi cooperation in oil, it is in this arena that problems have arisen, mostly in private. Tellingly, it is mainly energy experts in China who are skeptical of the feasibility of Saudi Vision 2030.<sup>197</sup> All sides generally admit that there is a lack of understanding between Chinese and Saudi people beyond doing business. People in Saudi Arabia do not know about China, and people in China do not know about Saudi Arabia: to the general public, each nation is very far away.<sup>198</sup> This is not in any way surprising—indeed, it is the cost of any international business or life—but it certainly is not the blissful picture painted by Saudi Aramco and Sinopec materials or even the broad wisdom on Chinese-Middle East oil ties. If the gap in understanding between Saudis and Americans remains wide after decades of business, then the gap between Saudis and their Chinese counterparts is doubly so.<sup>199</sup>

In addition to the lag in diplomacy, Sinopec and Saudi Aramco reportedly do not like each other.<sup>200</sup> Part of this animosity stems from industry realities. Saudi Aramco has been an international energy behemoth with impressive technical

know-how for decades. For a long time, Chinese SOEs had nothing to bring to the table in oil other than capital and consumption. As a result, Chinese companies are less competitive than their Middle Eastern counterparts. Besides, Aramco could always gain capital from IOCs or the West. China has never been a leader in the crude oil space, unlike its recent leadership role in global renewable energy. As a result, the PRC received little upstream access in Saudi Arabia. The oil market also experienced a high Commodity Super Cycle from 2001 to 2008, making it a seller's market in which Saudi Aramco could afford to be selective.<sup>201</sup> This overall situation left players in the Chinese energy market with an impression of "Saudi arrogance."<sup>202</sup> The politics are slowly shifting with the transformation to a buyer's market, but the historical foundation of the Sino-Saudi oil trade will be difficult to shake.<sup>203</sup>

Just as differences of methods in business made for a slow start in Sino-Saudi oil cooperation during al-Naimi's time, these differences persist today. For instance, Chinese and Arab business cultures are notoriously different when it comes to punctuality. A Chinese foreign ministry official in Saudi Arabia was kept waiting for hours past the appointed meeting time, which is a standard experience in the Kingdom. Incensed, the foreign ministry retaliated when the Saudi oil minister next visited Beijing. Chinese officials kept him waiting for hours, and once the meeting began only served him water in a paper cup.<sup>204</sup> Anecdotes where officials from Saudi Aramco and Sinopec irk each other are plentiful.<sup>205</sup>

It is useful to remember here that while Saudi Aramco and Sinopec are both state-owned, they are corporate entities and do not perfectly represent the state.<sup>206</sup> Riyadh and Beijing may speak of close ties and strategic partnerships and give the green light to Aramco or Sinopec for these projects, but at the implemented corporate level there can be more reluctance. In the 1990s, it was corporate interests that first started bringing Saudi Arabia and China together on energy. Each government followed their example to catch up at the state level. Now the state is cheering along the alignment while corporations muddle through the details.<sup>207</sup>



## ***Iran***

*Iran has been quite grateful that we helped them with their oil production during the sanction period, so we have a stable and friendly basis for further cooperation.*

—CNPC contractor in the North Azadegan oilfield, 2016<sup>208</sup>

*China is a friend of Iran and the latter would not opt for severing ties for foot-dragging in projects. We are seeking alternative solutions.*

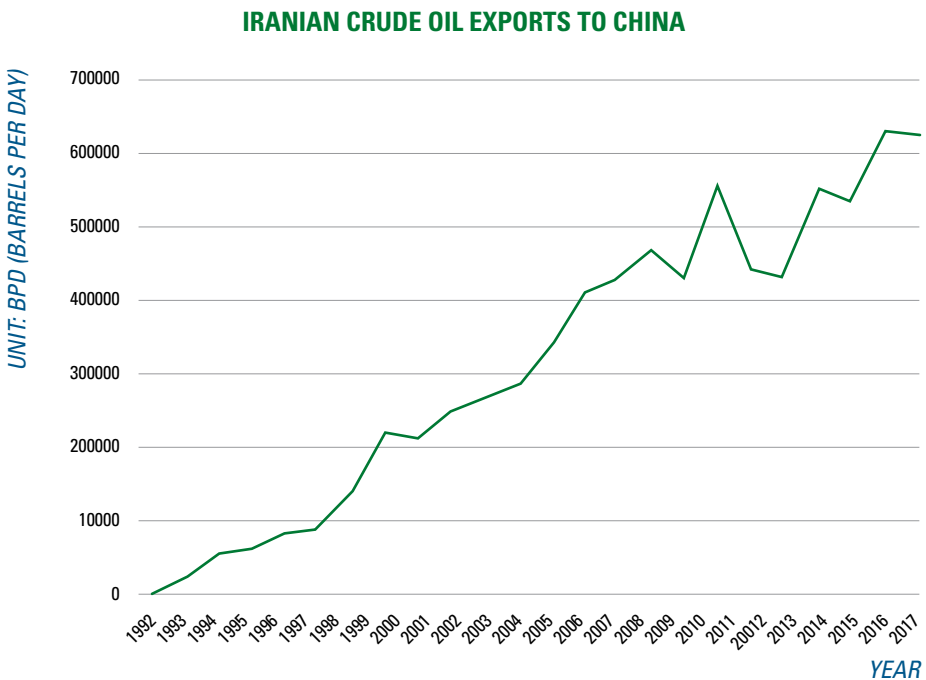
—Bijan Zanganeh, Oil Minister of Iran, 2019<sup>209</sup>

China and Iran first signed an oil agreement in 2002.<sup>210</sup> They signed an agreement for natural gas price balancing in 2004, which secured Chinese purchases of natural gas for the next 25 years.<sup>211</sup> Chinese oil imports from Iran have increased since the two began serious trade in line with increasing Chinese consumption. The strategic objective of a diverse portfolio is the primary reason for its importation of Iranian oil.<sup>212</sup>

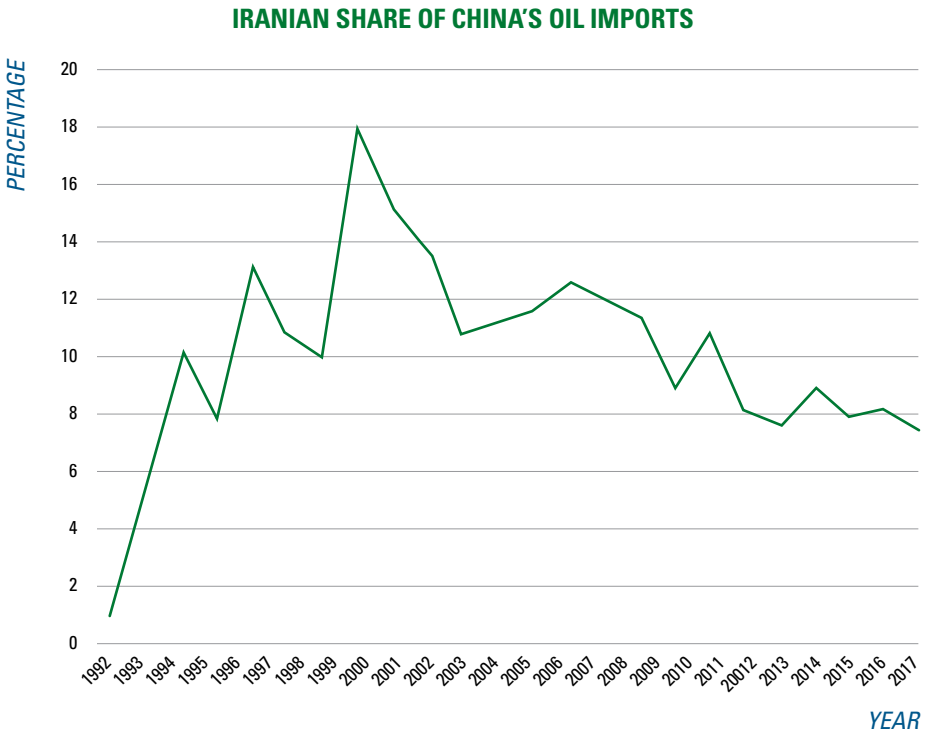
However, Iran's share of Chinese oil trade has seen much more turbulence, peaking in 2002 and on the steady decline since then with dramatic drops in absolute imports after the Trump administration pulled sanctions waivers in 2019 (Figure 10, Figure 11). That July, the United States imposed sanctions on Zhuhai Zhenrong, a Chinese SOE affiliated with the defense conglomerate Norinco, for purchasing Iranian oil.<sup>213</sup> Other Chinese shipping companies were slapped with sanctions later that September.<sup>214</sup> A nadir of Iranian oil exports was reached in March 2020 when Chinese customs reported virtually zero imports of oil from Iran (US\$212,000), a figure not seen in their bilateral relationship for decades. This latest statistic was essentially a goodwill gesture on China's part to comply with the Trump administration's "maximum pressure" campaign in Iran and preserve the nascent beginnings of a higher-priority U.S.-China trade deal. That number recovered over the next few months, but has continued to plummet, reaching an even lower amount of a stunning US\$52,000 in March 2021.

The Bank of Kunlun, the Chinese financial institution that handles many Chinese-Iranian transactions, changed its policy to no longer accept any business other than “humanitarian supplies and non-sanctioned industries” after President Trump signed Executive Order 13902 in January 2020. The bank was hit with sanctions in 2012 and began conducting business instead with euros and yuan, but even this policy was no longer sustainable.<sup>215</sup> The Bank of Kunlun’s new policy forced Iranian executives to turn to *chamedooni* (suitcase) trade, whereby payments are made in cash via suitcases lugged over the border.<sup>216</sup> The decrease in oil imports has had the side effect of creating a trade ceiling, with Iran unable to effectively finance the resultant trade deficit due to deteriorating banking ties and limited access to foreign currency reserves.<sup>217</sup>

**FIGURE 10**

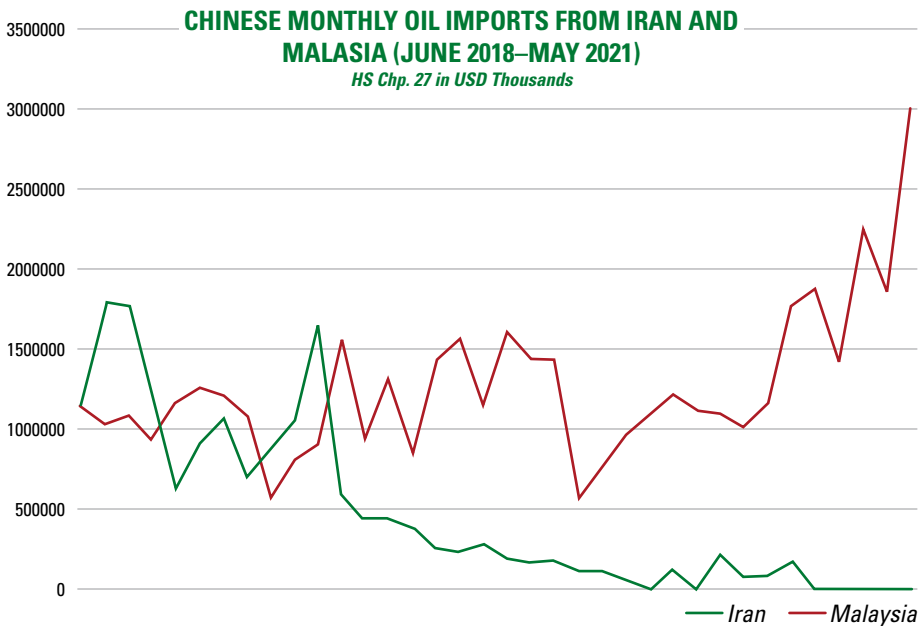


Source: UN Comtrade – Asia Pacific Energy Portal<sup>218</sup>

**FIGURE 11**

Source: UN Comtrade – Asia Pacific Energy Portal<sup>219</sup>

However, official customs reporting for the past few years does not tell the full story of Chinese imports of Iranian oil. Since the reimposition of U.S. sanctions after the United States' withdrawal from the JCPOA, China has chosen other routes for its Iranian crude. Since 2019, Chinese imports of Iranian oil have dropped as its imports from Malaysia have commensurately risen (Figure 12). For the first five months of 2020, Iran rebranded about 60 kilo bpd of its oil as Malaysian. Indonesia has risen as an intermediary country as well—during June, the same period where China reported no Iranian oil imports, the supertanker *Giessel* delivered 2 million barrels of Iranian oil branded as Indonesian oil.<sup>220</sup>

**FIGURE 12**

Source: General Administration of Customs of the People's Republic of China

Some analysts have speculated that one aspect of China's oil purchases from Iran is anticipation of a hot war between China and the United States.<sup>221</sup> The reasoning is that should the United States and China go to war over Taiwan or a similar issue, China could still have an aligned source of oil imports after the Arab oil-producing states aligned with the United States severed ties with the PRC. But if this hypothetical is gamed out, it falls apart. In order for the oil to get from Iran to China, it must be loaded onto ships and pass through the Strait of Hormuz and the Strait of Malacca, two chokepoints where China is perennially concerned about the U.S. halting trade. In energy and security literature, this problem is known as "The Malacca Dilemma."<sup>222</sup> The route is entirely vulnerable to American naval supremacy, making Iran a much less likely source of wartime oil than any of China's neighbors with direct pipelines.<sup>223</sup>

In investment, Iran's oil and gas sector is very different than its sister sector in Saudi Arabia. There are two unique aspects of Chinese investment in Iranian oil and gas. First and most obviously, Iran's oil market has been stunted by a series of sanctions since the 1980s, while Saudi Arabia has remained uninhibited in its choice of partners. Sanctions have affected Iran's ability not only to sell oil but also to acquire technical and managerial expertise in the field, particularly with the consideration that U.S. patents cover much of the technology in the industry. Iranian oil and gas are in dire need of this kind of collaboration. Even though China is not a leader in the industry, any help is adequate.<sup>224</sup> Second, the Iranian market's relationship with foreign involvement is fundamentally different. This dates to the Persian colonial experience in the 19th century, when the Qajar Shahs granted concessions to Great Britain and Russia—moves that were deeply unpopular.<sup>225</sup> This issue flared up again in the 20th century in the oil and gas sector when the Majlis, taking advantage of a weak shah, moved to take control of the industry that until then was controlled by the Anglo-Iranian Oil Company (AIOC). In 1951, Iranian oil was nationalized under the moniker of the National Iranian Oil Company (NIOC) and the British exit was enforced with guns. It was made messy and unprofitable by a British embargo on Iranian oil and a CIA-backed coup that defenestrated the Iranian Prime Minister Mohammed Mossadeq.<sup>226</sup>

The Iranian experience was radically different to Saudi Arabia's path to control of its oil company. The Saudis, who watched the developments in Iran closely, prioritized profit and thus chose the path of years-long negotiations for profit-sharing. This finally culminated in complete Saudi ownership in 1988 after a series of negotiated buyouts.<sup>227</sup> The Iranian history of overturning concessions has shaped the attitude in Iran that Iranian commodities, particularly oil, should remain under Iranian control. This legacy makes for a challenging environment for any foreign oil and gas companies, including Chinese ones. This attitude prevails even though Chinese companies have an advantage as non-Western entities.<sup>228</sup>

A specific way this distrust of foreign economic intervention has played out is through the "buy-back" style of contracts that, until recently, were standard

practice in Iran. In the buy-back contracts, foreign companies and investors could invest in oil exploration and production in Iran, but once production began, the NIOC would take over the operation and buy back the rights at a predetermined price. These contracts are not very attractive to IOCs because they require significant upfront investment without delivering any long-term profits or even the guarantee of recouping the initial cost. In 2017, the Iranian oil ministry began Integrated Petroleum Contracts (IPCs) that more closely resemble joint ventures or product-sharing models.<sup>229</sup>

The prevalence of buy-back contracts had two effects on China. First, it cleared the already sparse field of competition from other IOCs, which would rather engage in more profitable projects. However, since China and its companies are necessarily driven by profit, this hamstringing China's own efforts in Iranian oil. Other oil-producing countries, namely Saudi Arabia, are made more attractive as a result. The draft Sino-Iranian CSP reflects these dual anxieties, stating:

China will be expecting Iran to be mindful of Chinese concerns regarding its return on investment in the Iranian oil sector. In exchange, the Chinese side will be mindful of optimizing the financial gains generated in oil deals with Iran.<sup>230</sup>

The messy experience of Chinese investment in Iranian energy is best exemplified in the South Pars Field Phase 11 project. The South Pars is the Iranian portion of the world's largest natural gas field that straddles Iranian and Qatari territory. Its territory is divided into 24 phases or sections. Iran does not export liquefied natural gas (LNG), but given its tremendous access to this commodity, it has sought to develop LNG. The problem is that Iran does not have the technology to liquefy the natural gas to produce transportable LNG, as the technology is a U.S. patent.<sup>231</sup> It instead exports some natural gas via pipelines to its geographic neighbors.<sup>232</sup>

Over the years, NIOC had been in unsuccessful talks with French Total to develop the South Pars Field. In 2009, Total balked in following through on promised collaboration with NIOC in light of the threat of U.S. sanctions. NIOC turned to China National Petroleum Corporation (CNPC), a Chinese SOE, as an alternative

and signed a deal worth approximately \$5 billion.<sup>233</sup> China has been keenly aware of the potential in Iranian gas, though admittedly it imports more gas from its neighbors in Central Asia.<sup>234</sup> That deal fell through in 2012 when NIOC ejected CNPC from the deal, citing lack of progress.<sup>235</sup> Evidently, the threat of American sanctions made the Chinese corporation drag its feet as well.

After the advent of the JCPOA, Total and CNPC looked forward to business with Iran without the looming shadow of U.S. sanctions and signed another contract with NIOC in 2016. This contract was an IPC instead of a buy-back contract, the first of its kind to be signed with international companies.<sup>236</sup> But that optimism was dashed by the results of the 2016 U.S. presidential election, which occurred the same day the contract was signed. When the Trump administration reimposed sanctions on Iran, and Total could not get a waiver, it withdrew from the project in 2018.<sup>237</sup> After some initial confusion, CNPC took over Total's share.<sup>238</sup> CNPC was not technically equipped for the challenge, and the Chinese SOE irritated its beleaguered partners at NIOC by trying to negotiate even more favorable terms.<sup>239</sup> Despite a visit to Beijing by Iran's oil minister, Bijan Zangeneh, that February, CNPC was kicked out of the deal for a second time in 2019.<sup>240</sup>



NIOC, Total, and CNPC sign contract to develop the South Pars Phase 11 Gas Field in 2017.<sup>241</sup>



In oil, Chinese SOEs have mainly been restrained to two fields. CNPC has operated in the Masjid Soleyman (MIS) oilfield and the Azadegan oilfield. CNPC took over the operation of the MIS oilfield in 2007 with a buy-back contract after a Canadian firm, Sheer Energy Company, withdrew from the project in 2006 due to international sanctions. After the JCPOA, CNPC was in talks with NIOC to renegotiate the technical terms of the MIS contract, with CNPC expected to finance the project between \$1.5 billion and \$5 billion.<sup>242</sup> The MIS collaboration has not made nearly as many headlines as other failed projects—it seems that when the Chinese-Iranian energy business is conducted smoothly, it is conducted quietly. CNPC has had little better luck in the Azadegan field than in the South Pars. After a Japanese company withdrew from the project in 2006, CNPC entered into a \$2.5 billion buy-back contract with NIOC to develop the South Azadegan field in 2009 with a target of 600,000 bpd of crude oil production.<sup>243</sup> However, CNPC was removed from the contract in 2014 because of a “lack of commitment,” according to the Iranian oil ministry. Only 7 of the originally planned 185 wells had been dug.<sup>244</sup> Local contractors replaced CNPC in the South Azadegan. However, CNPC did retain its project in the North Azadegan field, which started producing oil in 2016, for which it gained sanctions waivers from the United States in 2018.<sup>245</sup> The project took nine years to reach the production stage owing to sanctions that prevented the use of Western equipment in construction as well as, according to one CNPC contractor, apparent difficulties with the Iranian government’s micromanagement. Iran will pay back the project with crude oil shipments.<sup>246</sup>

Meanwhile, Sinopec has been in talks to develop the Yadavaran field in Khuzestan since 2004, when Sinopec and NIOC were in talks for a 25-year oil and gas agreement as well as a stake in the oilfield shared between the two companies.<sup>247</sup> Sinopec was awarded the contract in 2007, worth approximately \$2 billion. The first phase was completed by 2014, with Sinopec reportedly eager to take on the next phase of development to increase output further, although there were doubts as to whether it would keep the contract after the debacle with CNPC in the Azadegan

oilfield earlier that year.<sup>248</sup> In 2016, after the passage of the JCPOA, Sinopec signed on for the next phase of development.<sup>249</sup> However, in May 2019, just as new U.S. sanctions on Iranian oil purchases went into effect, work on the Yadavaran oilfield stopped. NIOC stated that the contract was being renegotiated, but the fate of the Yadavaran project has yet to be decided as of publication.<sup>250</sup>



*Iranian and Chinese contractors with CNPC in the North Azadegan oilfield 2016<sup>251</sup>*

In 2007, Sinopec signed an agreement worth \$2.84 billion to expand the refinery in Arak.<sup>252</sup> The unit, a feedstock hydrotreating facility that produces gasoline, became operational in 2011. Iran, despite its massive oil reserves, must import gasoline due to the lack of investment in its refining sector. Sinopec announced the 2011 development in a one-line post on its website, in line with its quiet attitude toward the project.<sup>253</sup> In 2017 after years of rumors, Sinopec signed a \$1 billion engineering, procurement, and construction contract to upgrade and expand the Abadan oil refinery in Khuzestan.<sup>254</sup> This deal was explicitly signed in the wake of the JCPOA sanctions relief, as indicated in the Sinopec Engineering Group's annual report for that year. The report optimistically included a new section entitled "Risks associated with the pursuit of petroleum and natural gas projects in sanctioned countries when the sanction is partially lifted," which stated:

Sanctions relaxation is expected to increase business opportunities available to non-U.S. persons, including the Company [Sinopec Engineering

Group], in Iran's oil and gas sector. The [Sinopec Engineering] Group has internal control policy and procedures, according to which, during the time that the sanctions are lifted, the Group will conduct a comprehensive evaluation of any potential risks, such as material sanctions law risks, operations risks, or reputational risks, prior to determining whether it should embark on any business in a sanctioned country.

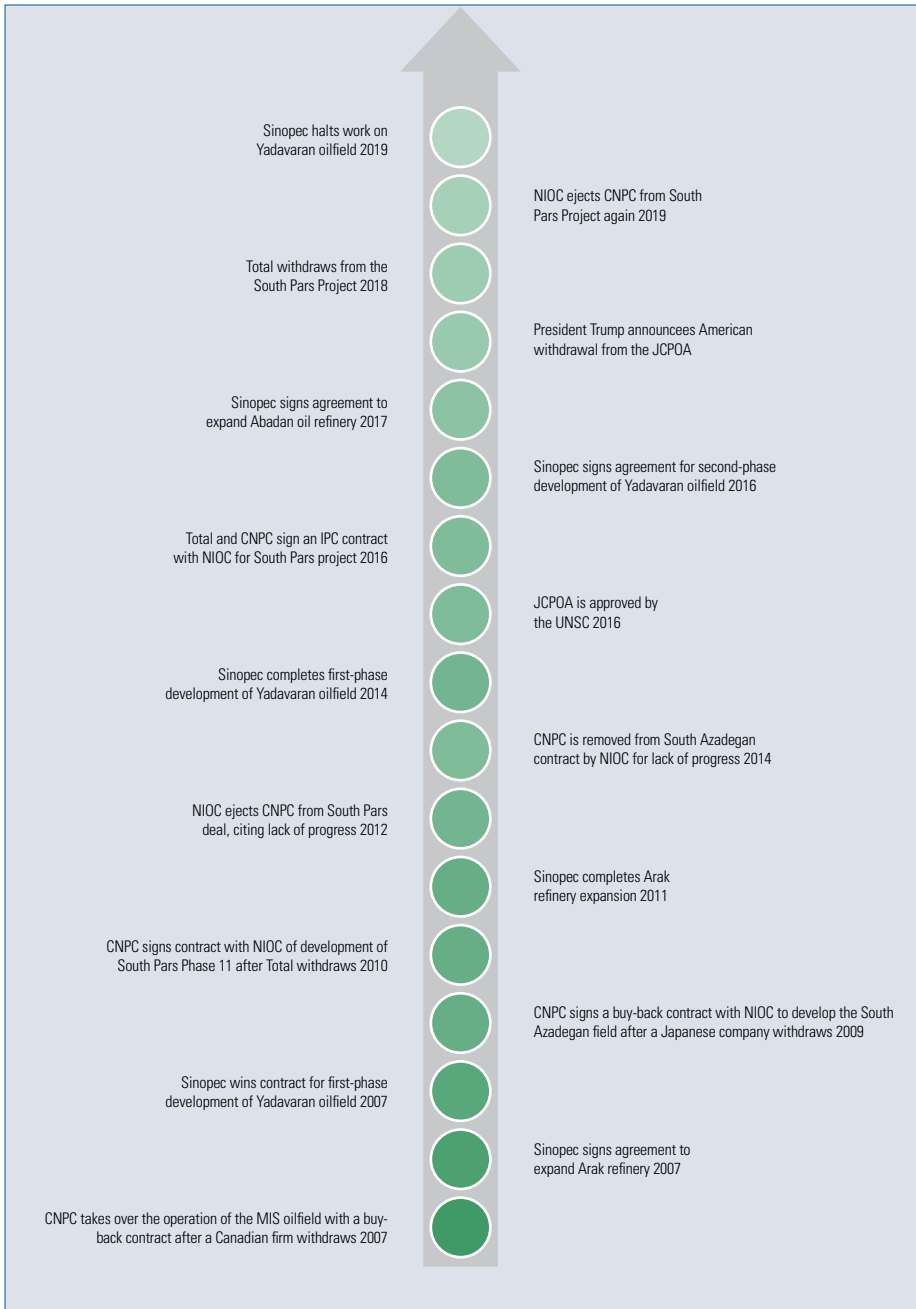
But the report continues:

The Group can provide no assurances that its future business will be free of risk under the U.S. or other sanctions, or that the Group will conform its business to the expectations and requirements of U.S. authorities of any other government that does not have jurisdiction over the Group's business but may impose sanctions on an extraterritorial basis. In addition, because U.S., E.U. [European Union], and other sanctions programs change frequently, new requirements may be imposed, or original requirements may be re-imposed, in relevant jurisdictions, including Iran, which could increase scrutiny on the Group's business or result in one or more of the Group's business activities being deemed to violate sanctions.

In the report, there is specific anxiety that sanctions on Iran could have an adverse effect on the price of Sinopec shares.<sup>255</sup> The Arak project was to be completed in four years, although work on the second phase of the refinery project had to be halted in 2020 owing to the COVID-19 crisis.<sup>256</sup>

The Iranian oil ministry, the NIOC, and Chinese energy SOEs have a contentious relationship. China is not a partner of choice in Iranian oil.<sup>257</sup> Chinese companies only enter the timelines of these major projects after other Western companies withdraw in the face of sanctions (Figure 13). These SOEs expected their commitments after the JCPOA to be rewarded, as the slew of contract renegotiations indicates, but the landscape changed with the election of President Trump and the ensuing American withdrawal from the nuclear deal and resumption of U.S. unilateral sanctions.

**FIGURE 13**

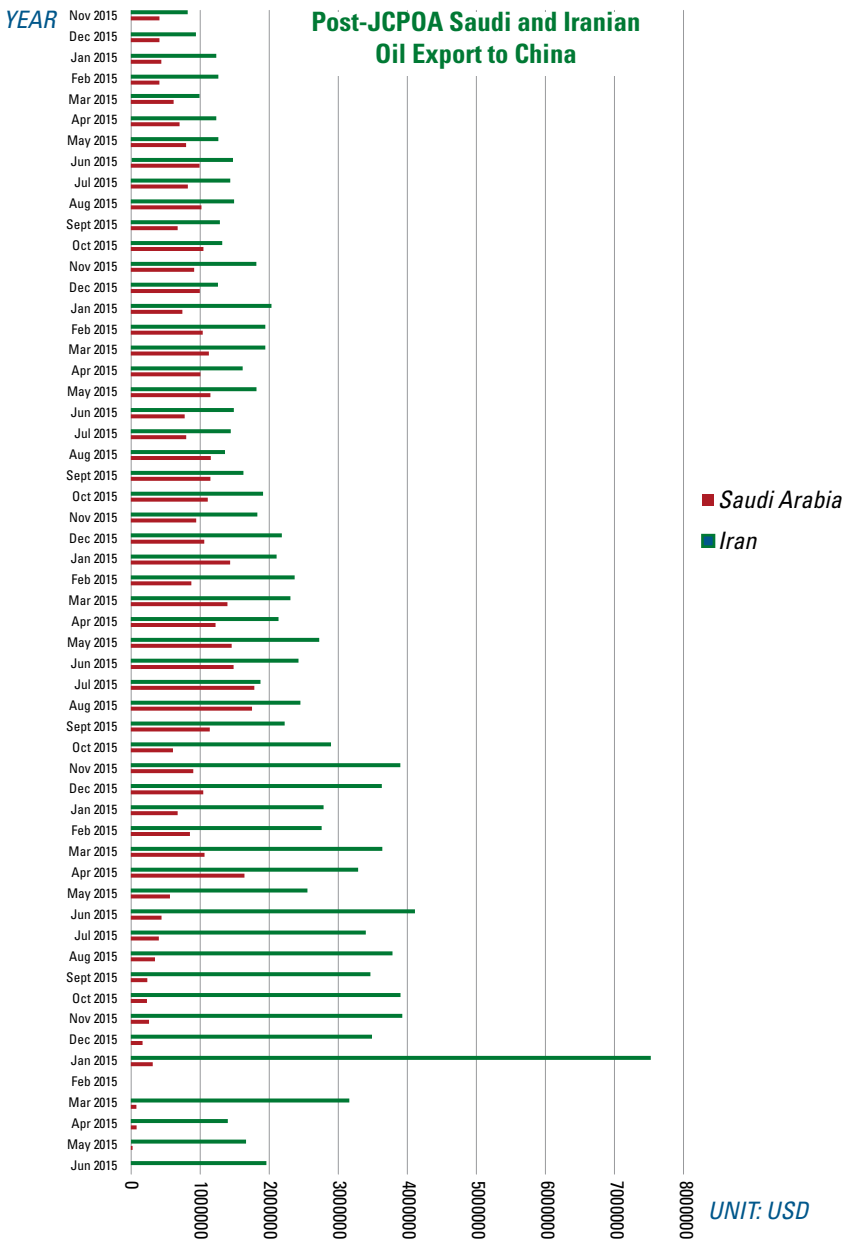


*Timeline of Major Chinese Investments in Iranian Oil and Gas*

Although the Chinese state expends a lot of rhetoric against sanctions, on the ground, Chinese companies are sensitive to international sanctions regimes, which either slow work or halt it entirely. China and its SOEs do not appear to be interested in flouting international sanctions on Iran, as is reflected in the dramatic drop in oil imports and paused work. Oil companies are told by Beijing that the moment business with Tehran touches Washington, it must be shut down.<sup>258</sup> The China of 2021 is not the China of 2006. It is a global power with multinational firms selling brand-name products and partnering with international financial institutions.<sup>259</sup> The reputational and material costs of business with Iran have more serious consequences for both government and industry than ever before. Energy, the heart of Chinese-Iranian trade, is not an exception.

Between Saudi and Iranian oil, China has made its choice. During the dramatic drops of China's 2020 Iranian oil imports, oil imports from Saudi Arabia commensurately surged (Figure 14). Investment in the Saudi energy sector, while sometimes fraught, is worlds away from the difficulties of investment in the Iranian energy sector. China and Iran are encumbered with sanctions and a history of nonstandard product-sharing agreements. If the impetus for China in the Middle East is profit, there is much more to be made with Saudi Aramco. Iranian oil, by contrast, is less profitable and has a material impact on China's relationship with the United States, which will always be more important than China's relationship with an isolated Iran. The value of Iranian oil is confined to diversifying China's energy portfolio, the basis of its energy security strategy.

**FIGURE 14**



Source: General Administration of Customs of the People's Republic of China<sup>260</sup>  
 Note: January 2020 and February 2020 were counted together

## Telecommunications: Lost Signals

*The possibilities of AI [artificial intelligence] and 5G technologies are as diverse and limitless as the human potential is, which is why we endeavor to bring digital solutions to people and businesses across the globe, to help unlock the creativity deep within every person.*

—Clement Wong, Huawei Consumer Business Group, Director of Global Product Marketing, keynote address at the JOY Forum in Riyadh, Saudi Arabia, 2019<sup>261</sup>

*For some time, the U.S. has been using national power to tarnish and the crack-down on specific Chinese companies in an attempt to strangle their lawful and legitimate operations. Behind such practices are deep political intentions and manipulations. We strongly urge the U.S. to stop its unreasonable bashing on Chinese companies including Huawei and treat them objectively and fairly. . . Regarding the Meng Wanzhou case, China has made clear its stern policy position many times.*

—Geng Shuang, Chinese Foreign Ministry spokesperson, 2019<sup>262</sup>

A key component of China's outreach to the world is the infrastructure of information—telecommunications. Whether they are releasing the latest smartphone technology or pioneering 5G networks around the world, China's companies have sparked discussions about the benefits of Chinese innovation and the insecurities posed by PRC penetration of global networks.

Chinese ICT (information and communications technology) companies repeatedly distance themselves from the CCP and the Chinese government to Western officials. Whether they are public companies or SOEs is murky to the degree that technical ownership is a moot point.<sup>263</sup> China's two premier ICT companies, Huawei and ZTE, operate within an enormous level of scrutiny from both the PRC government and international community.<sup>264</sup> Companies have their own agendas and autonomy, but are constrained by the emphasis Beijing puts on telecom-



munications as a foreign policy and national branding priority. With China's own use of censorship and surveillance technology, it has been theorized that the widespread use of Chinese telecommunications will lead to the balkanization of the internet. Huawei representatives stridently dispute this framing, reporting that China's domestic policy has not been a liability for the company abroad.<sup>265</sup>

In the Middle East, Chinese ICT companies meet governments that have their own ambitions for digital development. Chinese companies are eager to find customers among the increasingly tech-savvy populations of Middle Eastern countries who are ready to adopt the latest innovations. While the MENA region is the second-least mobile services-penetrated region in the world, behind sub-Saharan Africa, it is expected to see the second-fastest subscriber growth rate in the world.<sup>266</sup> Chinese ICT enterprises also find a sympathetic attitude from the state toward authoritarianism. Middle Eastern countries know that China will never criticize them on human rights grounds. In both Saudi Arabia and Iran, Chinese companies have had similar goals of contributing to each country's telecommunications capacity and meeting the needs of unique and growing markets. However, the result of these efforts is a stark case study in the divergent utility and liability presented by each half of the rivalry.

When Saudi Vision 2030 was launched in 2016, one of its goals was to revamp digital infrastructure. The hope was that such development could support advanced industry, attract investors, and enhance the fundamental competitiveness of the Saudi economy. The government emphasized partnerships with the private sector and the advancement of high-speed broadband coverage. A national council for digital governance was proffered as well.<sup>267</sup> The digital contribution to the Saudi economy is approximately 4 percent, 6.5 percent if considering non-oil GDP. According to the Saudi Minister of Communications, the development of 5G over the next 12 years is projected to generate 20,000 jobs and contribute about \$19 billion to GDP.<sup>268</sup> In 2019, Riyadh was selected as the Arab world's first digital capital city.<sup>269</sup> In an interview, Li Xiangyu, vice president of public affairs and communications for Huawei Middle East, said Huawei strives to be part of Saudi Vision 2030.<sup>270</sup>

In 2016, Huawei obtained an investment license in the Kingdom.<sup>271</sup> Huawei has since opened a branch office in Riyadh.<sup>272</sup> By 2018, Huawei had captured 20.9 percent of the Saudi smartphone market and at the time hoped to reach 50 percent market share soon after.<sup>273</sup> Later that year, Huawei's share of the Saudi market was at 27 percent.<sup>274</sup> Huawei's market share in Saudi Arabia is only increasing, according to Li. Amid the global controversy around Huawei in 2019, the Saudi minister of communications said that the Kingdom was open to Huawei.<sup>275</sup>

Huawei products receive splashy product releases in Riyadh attended by a combination of tech bros in jeans and T-shirts, men in the traditional Saudi thobe and shemagh, and social media influencers in trendily open abayas. Launches often have a bevy of social media campaigns, like the Huawei 14-day challenge after the release of the Huawei Nova Watch GT 2 smartwatch in Saudi Arabia to do some form of exercise every day and follow the official Saudi Huawei account for the chance to win a new smartwatch.<sup>276</sup> Huawei also makes presentations at conferences such as the JOY Forum 2019 in Riyadh, which focused on the changing Saudi entertainment sector.<sup>277</sup> Huawei has committed to training and employing Saudis in ICT with joint job fairs with the ministry of communications and the launch of the Saudi Talent Enablement Program (STEP).<sup>278</sup> STEP aims to create a pool of over 10,000 professionals for the Saudi ICT industry by 2023.<sup>279</sup>

Huawei has picked up some high-profile contracts in Saudi Arabia with over 260 local partners.<sup>280</sup> One of the most notable of these was a collaboration between the Saudi interior ministry and Huawei to address emergency calls during the Hajj season. When millions of pilgrims descend on Mecca, 911 calls spike dramatically—142,971 calls per day were received during peak periods of the 2018 Hajj season. The interior ministry built a Unified Security Operations Center, and Huawei worked with another ICT company, Hexagon, to design an emergency call incident reception and handling system that allowed calls to be distributed swiftly to the requisite response department. The system also allows for incident reporting through video or SMS messages for pilgrims who are hearing-impaired. The system has the capacity for incident response in a variety of

languages, including English, Arabic, Urdu, French, and Indonesian. The system has been in use since 2016.<sup>281</sup>



*Huawei product dealers in Al Batha district, Riyadh, KSA. Editorial credit: Crystal Eye Studio/Shutterstock<sup>282</sup>*

According to Li, the pinnacle of promised Saudi cooperation with Huawei is the construction of the Kingdom's 5G network.<sup>283</sup> Saudi Telecom Company (STC) and Huawei signed a memorandum of understanding at the World Mobile Congress in 2019 on wireless network modernization and 5G network construction. Speaking at the occasion, a Huawei representative said:

STC and Huawei share a common understanding of industry trends and National Vision. . . . As the strategic partner of STC, Huawei is confident to support STC and enable KSA [the Kingdom of Saudi Arabia] digital services and redefine the ICT boundaries through partnership.<sup>284</sup>

One vice president of Huawei made a vague promise at the China–Saudi Arabia Investment Summit that Huawei would support Saudi Arabia to be among the foremost 5G countries in the world.<sup>285</sup> Huawei also has a partnership with the Saudi carrier Zain to cover over 20 cities with 2,600 5G towers, making it the largest 5G network in the Middle East.<sup>286</sup> In an interview, Li related that Huawei has hosted 5G onboard training with the Saudi ministry of communications and information technology and has a 5G Roadshow that toured the Kingdom to raise

awareness of 5G connectivity and develop local talent. Through collaboration with Huawei, 35 governorates now have access to 5G services according to the Saudi Communications and Information Technology Commission.<sup>287</sup>

Huawei has dabbled in surveillance technology in Saudi Arabia. Driving in the Kingdom is notoriously chaotic. In 2019, 256 Huawei HD intelligent cameras were placed at 16 major intersections in Yanbu, a city on the coast of the Red Sea that is also the site of the Yasref Sinopec-Aramco Refinery. The city system then uses AI algorithms to automatically identify traffic violations that include running red lights, lane crossing, reverse driving, and lane marking violations. Since the implementation of the Huawei cameras, the Yanbu traffic law enforcement department has reported a 60 percent drop in violations, and there are plans to extend the surveillance to a further 10 intersections.<sup>288</sup>

When asked about Huawei's involvement in surveillance technology in Saudi Arabia and the region, Li Xiangyu demurred to respond other than to apply an analogy that Huawei founder Ren Zhengfei often employs when asked about surveillance.<sup>289</sup> In the analogy, Huawei is a company that sells water taps and pipes. Huawei networks are the pipes that carry water. Huawei only provides the equipment, while data and channels are controlled by telecom operators in governments. Once the equipment is sold, none of it is controlled by Huawei—Li claims Huawei owns no data.<sup>290</sup>

Governments like the United States, Australia, and Japan are skeptical of this claim, particularly since domestic national security legislation in China obliges any company to cooperate with state intelligence.<sup>291</sup> ICT companies like Zoom have come under fire for routing data through China, with its weak privacy protections.<sup>292</sup> Of particular concern is the inclusion of Chinese technology in the Hajj and Umrah and the potential for Chinese transnational repression of Uyghurs. Uyghurs who live in third countries like Turkey but come to Saudi Arabia for Hajj have been seized by Saudi officials at the behest of the Chinese government. The incorporation of data-mining in this process could pose danger for Uyghurs conducting Hajj and their families in Xinjiang.<sup>293</sup>

The most public backlash Huawei has seen from a Saudi and Gulf audience happened in February 2020 on Twitter. Huawei Arabia, Huawei’s Arabic Twitter account, tweeted a picture of the Jordanian journalist Ola Alfares using the new Huawei Mate 30 Pro 5G smartphone. Alfares is a journalist with the Qatar-based network Al Jazeera, which staunch Saudi supporters charge with supporting terrorism with Iran as part of the Saudi-led opposition of Qatar. A firestorm was set off and the hashtag #يواوه\_ةعطاقم (#BoycottHuawei) began trending among hardline supporters of Saudi Arabia and the UAE.<sup>294</sup> Huawei Arabia deleted the original Tweet with Alfares. Contentious spats on Twitter are nothing new and the hashtag did not permeate broader Arab Twitter. However, this exchange demonstrates that Huawei is on a learning curve when it comes to the politics of personalities in the Gulf.

For Iran, the picture of Chinese involvement in telecommunications, from Huawei to ZTE, is less rosy. Iran has earned Huawei massive reputational costs and dragged China deeper into conflict with the United States. The official story of Huawei and Iran from Huawei representatives is that there is no story. Huawei does not have a branch office in Iran—a claim made slightly murky by Meng Wanzhou’s alleged statement to Canadian border police that there is a Huawei Iran office.<sup>295</sup>

There is virtually no mention of Huawei’s products in Iran on its official English website or case studies of successful contracts. Under the “Middle East” section of global products, there is only a “Farsi / یراف” option. All other markets are listed by country and language, as in “Saudi Arabia / ٱلللا” and “Saudi Arabia / English.”<sup>296</sup> Huawei’s Farsi website has glossy pictures of the latest products and the standard array of customer support options, like directing customers to service centers, which includes a Huawei official service center in Tehran.<sup>297</sup> Huawei’s Iranian counterpart and the second-largest mobile provider in the country, MTN Irancell, has a number of articles on its website with information on how to set up 4G on the latest Huawei Honor smartphone or dispatches from the Mobile World Congress that list Huawei devices as among

the top new products of the coming year.<sup>298</sup> One webpage boasts, “Iracell and Huawei, Speed and Technology in Your Hands!”<sup>299</sup> But Huawei products do not receive the same splashy rollouts in Iran that their Gulf neighbors do.



*“Iracell and Huawei; Speed and Technology in Your Hands”<sup>300</sup>*

The draft China-Iran CSP has several points of Chinese engagement in Iranian telecommunications. The document emphasizes cooperation and investment in ICT. The CSP calls for investment in “modern industries like telecommunications.” Proffered joint projects in the CSP for strengthening data and telecommunication infrastructure networks include:

- Development of 5G;
- Development of basic services like search engines, email providers, and social messaging systems;
- Equipping telecommunication technology like GPS and switching systems, servers, and data storage facilities;
- Development of end-user equipment such as mobile phones, tablets, and laptops; and
- Negotiations on cooperation over developing basic software for computer and mobile operating systems, browsers, antiviruses, and implementation of those projects in timely manners.

The CSP also promises joint pilot projects in smart technology and AI. These projects extend from fostering joint projects from academia to start-ups to strengthening cooperation in radio frequency projects and coordination of satellite frequencies at global levels.<sup>301</sup>

The issue of satellite cooperation has arisen before between China and Iran. In 2015, the Iranian defense firm, SA Iran, signed an agreement with China to use the BeiDou-2 satellite navigation system for military purposes.<sup>302</sup> While the material in the Draft CSP is more aspirational than factual, even a fraction of these commitments would see an increase in Chinese involvement in Iranian telecommunications, something China has been reluctant to admit.

Chinese tech companies have been dodging rumors of their involvement in sanctions violations since 2011. A Huawei representative identified the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA) as responsible for most of U.S. inquiries. This act prohibits the transfer of surveillance or censorship equipment to Iran.<sup>303</sup> In 2012, Reuters began reporting that ZTE sold U.S.-made surveillance equipment to Telecommunication Company of Iran (TCI), the largest telecommunications firm in Iran which is owned by the government. Over two contracts, ZTE was to provide TCI with hardware and software from banner American tech companies including Microsoft, Hewlett Packard, and Cisco Systems. The technology proffered in these contracts offered country-wide surveillance of landline, mobile, and Internet communications.<sup>304</sup>

The Islamic Republic is one of the world's topmost practitioners of cyber suppression. Through the exchange of tech, Iran could learn from Chinese practices in the field.<sup>305</sup> There was a report that same year that Huawei had pitched a mobile news service to Iranian government officials carried by MTN Irancell. According to one person who attended that meeting, Huawei's representatives emphasized that since they were from China, they had expertise in news censorship. The operator won that contract and rolled out the service.

A few months later, there were reports that Soda Gostar Persian Vista, a Tehran-based supplier of Huawei equipment to Iran, offered to sell MTN Irancell 36



cellular tower antennas made by the US company Andrew LLC. This kind of U.S.-made hardware, if sold to entities in the Islamic Republic, is subject to American sanctions. When the U.S. House Intelligence Committee criticized Huawei for not providing evidence to support its claims of compliance, the Chinese company stated it was scaling back its business with Iran.<sup>306</sup>

In 2013, Reuters broke the story that Meng Wanzhou, Huawei's chief financial officer and daughter of its founder, served on the board of a Hong Kong-based tech company named Skycom. Skycom offered to sell at least €1.3 million worth of Hewlett-Packard gear to TCI. After the Reuters report was released, Huawei internally scrambled to sever ties with Skycom, as internal documents later revealed in 2020.<sup>307</sup>

In 2016, ZTE was placed on the U.S. Department of Commerce's Bureau of Industry and Security (BIS) Entity List—a list of foreign persons, businesses, and organizations that are subject to license requirements for the export of specified items.<sup>308</sup> Days later, ZTE released internal documents on how it used seemingly independent “cut-off” companies to do business with Iran and other sanctioned countries. These documents described a Chinese company that was a rival for business in Iran. The company was only referred to as “F7,” but the description neatly matched Huawei.<sup>309</sup>

In 2017, right after President Trump's inauguration, ZTE pleaded guilty to violating sanctions on Iran by sending U.S.-made equipment to the country. It agreed to pay a \$1.19 billion fine as part of a settlement agreement.<sup>310</sup> A few months later, ZTE was found to have violated the settlement agreement and was placed on BIS's Denied Persons List, barring it from exporting privileges.<sup>311</sup>

In 2018, Huawei would feel the sting of U.S. policy on Iran with the arrest of Meng Wanzhou by Canadian authorities as she was changing planes in Vancouver. This was a dramatic escalation in the U.S.-Huawei dialogues on sanctions. The charge was a fraud, and the United States demanded Meng be extradited from Canada.<sup>312</sup> The Chinese government and spokespeople from Huawei stridently denounced the charges, demanded the release of Meng, and called for

any extradition to the United States to be halted. Meng eventually was released under a deferred prosecution agreement with the U.S. government. As part of the agreement, Meng affirmed the accuracy of the statements of the U.S. government regarding Huawei's business in Iran.<sup>313</sup>

In May 2019, Huawei was added to the Entity List. The reason was an alleged conspiracy to violate the International Emergency Economic Powers Act by providing prohibited financial services to Iran and obstruction of justice in connection with the investigation of said sanctions.<sup>314</sup>



*Huawei Technologies Chief Financial Officer Meng Wanzhou leaving court hearing in Vancouver, Canada, September 2021. Editorial credit: tom hollett/Shutterstock<sup>315</sup>*

The initial Reuters reports plus the passage of the CISADA in 2010 sparked U.S. interest in Huawei's business dealings with Iran, according to Dennis Amari, Huawei's vice president of federal and regulatory affairs in the United States. In an interview, Amari said Huawei was called into a number of meetings with the Department of State and Department of Commerce to discuss their compliance with Iran trade sanctions regimes, the last meetings occurring in 2014. Huawei's chief legal officer visited Washington in 2012 and 2014 to meet with U.S. officials from the Departments of State and Commerce.

According to Amari, who attended all meetings after 2011, U.S. officials seemed satisfied with all answers and documentation Huawei provided for their inquiries. The oncoming JCPOA relieved pressure on Huawei from the United States because no further mention of Iran was made to Huawei until the arrest of Meng Wanzhou. Although the JCPOA did not deal with telecommunications specifically, Huawei was optimistic about business and investment in Iran like many other companies at the time. The United States allowed telecommunications exports to Iran with a general license after the JCPOA and took some of the pressure off Huawei. Amari said that he has seen no evidence of any activity violating U.S. sanctions on Iran. Amari does not think the accusations merit this level of “savagery” from the U.S. government.<sup>316</sup> This is a view shared by his former colleague, William Plummer, the former vice president of external affairs for Huawei in Washington.<sup>317</sup>

Huawei has a disconnect between its Shenzhen headquarters and the Washington, D.C., office that communicates with U.S. authorities. Against the advice of its D.C. office, Huawei has taken the unsuccessful tack of pulling back from engagement with the U.S. government. This is due to the perception at headquarters that the more visible the company is in Washington, the more likely it is to come under attack. This strategy is the result of the different orientation to the government that companies in China have compared with companies in the United States. Huawei even downsized its Washington federal and regulatory affairs office in 2018. Its D.C. office was aware that Huawei was going to be placed on the Entity List for five months, but on direct orders from Shenzhen it did nothing to stop it. The philosophy in Shenzhen is that American courts are less political, and therefore the only place Huawei will get fair treatment. Within Huawei, there was the expectation that a change in administration after the U.S. presidential election in November 2020 could grant them some relief, although whether that will play out under the Biden administration has yet to be seen.<sup>318</sup>

The embarrassment of Huawei's experience in Iran has created a culture of paranoia surrounding the Islamic Republic among Chinese companies and the Chinese government. Li Xiangyu refused to answer any questions related to Huawei's business in Iran, but he was happy to discuss the case of Saudi Arabia and the wider Middle East. Amari believes that the repeated incidents have made Huawei more cautious on anything related to Iran and is almost a reset to the early days of the 2010s and the passage of sanctions like CISADA.

The Chinese government arrested five former Huawei employees in Shenzhen after one of them said in a WeChat group, "I can prove that Huawei sold to Iran." Their brief conversation on Huawei and Iran took place days after the arrest of Meng Wanzhou in Canada. At the time of their arrest, the former employees were embroiled in a labor dispute with Huawei. One person in the chat said, "I worked on IranCell projects from 2012 to 2014. I went on business trips." Another replied, "I can also confirm. Internally, it's an open secret that Huawei sells to Iran." Within weeks, the police picked them up. Two of the men who were detained said that Chinese police questioned them about Iran and asked whether they had contacted foreign news outlets. According to one, an officer said going to foreign news services with information on Iran was equivalent to supporting Japan after it invaded China in the 1930s.<sup>319</sup>

For its part, the Saudi press has been relatively mute about the Iran connection in the Huawei wars between China and the United States. Columnists in *al-Sharq al-Awsat*, a paper owned by the royal family, use the case of Huawei as a shorthand to refer to U.S.-China tensions. After President Trump called for a ban on the social video platform TikTok in August 2020, one writer blamed the United States for resorting to Chinese censorship tactics in the internet fight that began with Huawei.<sup>320</sup> In *al-Riyadh*, any negative coverage of Huawei describes it as a U.S.-China problem without mentioning Iran, and *al-Arabiya* mostly covers the Iran connection by running Arabic translations of the original Reuters articles that broke the news about Huawei's corporate dealings in Iran. Saudi coverage of Huawei is often quite positive, describing new product

launches timed with Eid al-Adha or the success of Huawei in the international ICT market.<sup>321</sup> Saudi officials are likely of the opinion that Huawei is an American problem. According to U.S. officials, when they tell Saudi representatives to halt the use of Chinese equipment, the Saudis seem amenable to the idea, even though a great deal of Saudi tech has incorporated Chinese ICT products and services.<sup>322</sup>



## Part Two: Security Engagement

### Such Is the Art of Warfare

If there is a single maxim for Chinese foreign policy in the Middle East, it is to avoid conflict. China views the Middle East as a politically complex region where international powers have foundered, especially the United States. The region's rivalries undoubtedly contribute to this perception.

Nevertheless, as China's economic interests in the region have grown along with its ambitions for international leadership, security has become an issue that it can no longer ignore. By no means is it the key player in Middle East security. China is asserting itself as an extraregional partner for a variety of reasons. Chief among them is the reinvigoration of the Chinese military and defense industry. Another key motivation is supporting China's general bilateral ties through security cooperation. The development of China's security presence in the Persian Gulf is shaped by its desire to maintain balance among its partner countries, including Saudi Arabia and Iran. In large part due to their rivalry, Saudi Arabia and Iran have built up tremendous security capabilities that offer both opportunities and risks for Chinese cooperation.

The PRC has played its most significant role in three security arenas of the Saudi-Iranian rivalry: arms sales, joint drills, and the ongoing Iranian nuclear negotiations. As in trade and investment, Chinese security cooperation with Saudi Arabia is both less restrained and less political than with Iran. The United States looms large over Chinese partnership with both states, exerting pressure that repeatedly stymies PRC-Gulf security cooperation.



## Arms Sales: The Pricing and Availability of Dragons

*China has practiced caution and responsibility in arms exports. And no one can criticize China for conducting regular arms trade with any country that does not violate international obligations.*

—Hua Chunying, Chinese Foreign Ministry spokesperson, 2020<sup>323</sup>

*Our main competitors? The Americans, of course.*

—LiYidong, chief designer of the Wing Loong Drone, 2016<sup>324</sup>

The most contentious market China engages within the Persian Gulf is arms sales. Weapons are both a commercial and a political market. Conventional weapons trade is a lucrative business in the region. The countries of the Middle East are consistently global leaders in arms imports, and that number is only on the rise—between 2014 and 2019, the flow of arms to the Middle East increased 87 percent.<sup>325</sup> As Xi Jinping continues to promote the modernization of China’s military, the Chinese defense industry has sought to develop weaponry with mixed success.

China has made some strides in defense hardware, namely missiles, but faced different challenges developing aerial technology, like drones or jet fighter planes.<sup>326</sup> Chinese defense companies are quite capable of reproducing and reengineering weapons technology from other countries, but there is a deficit in innovation drive. While Xi’s government has enacted reforms to make the industry more efficient and commercial in nature, it is still unclear whether these reforms have been successful. China’s defense industry today has been able to produce high-end equipment that was impossible even 10 years ago. There may be gaps in technical ability, but behind the Chinese arms industry is a tremendous amount of political will and funding.<sup>327</sup>

China has climbed to the place of fifth-largest weapons exporter behind the United States, Russia, France, and Germany in the period 2015–2019.<sup>328</sup> It is

Chinese policy to promote commercial arms deals between foreign countries and its defense SOEs. The largest defense SOE is the PLA-affiliated Norinco. However, commercial objectives do not always align with party-state objectives.<sup>329</sup> In particular, unlike the United States, building partner military capacity is not an important end goal for Chinese weapon sales. Arms sales are viewed as a means of strengthening general bilateral relations. One PLA analytical piece identifies arms sales as one way to “strengthen political, military, and economic relations between countries.”<sup>330</sup> Arms exports are not a necessity for defense SOEs. They will always have the PLA as their supreme client. However, international sales do present a solution for a problem on the horizon—the oversaturation of the domestic market. Military modernization allegedly will be completed by 2035. Eventually, the development will have to slow down, and SOEs will have to take their wares overseas.<sup>331</sup>

To be among the most competitive international defense conglomerates, Chinese companies need to acquire customers in the Middle East. In addition to raw opportunity, there is a certain amount of prestige to be had as a defense company that sells its weapons in the Middle East. It also accomplishes the trick of promoting military-to-military diplomacy, which China is trying to encourage.<sup>332</sup> This commercial ambition, however, is tempered by the Chinese dictum in the Middle East to avoid conflict. Strikingly, this is a sector where regional instability benefits China. In the Middle East, Chinese companies can see their weapons battle-tested and observe how other militaries utilize them.<sup>333</sup> There is the audience to consider as well. For all sides, arms imports from China have as much to do with messaging as acquiring new capabilities in warfare.

Saudi Arabia is consistently the world’s top arms importer and shows no sign of slowing down. It was responsible for 12 percent of global arms imports from 2015 to 2019. The United States is easily the greatest source of weapons for Saudi Arabia with \$130 billion in active contracts. An American official said in an interview that the United States is the partner of choice, particularly when it comes to quality of product.<sup>334</sup> The relationship is characterized by constant

Saudi requests for the latest weaponry. A joke in the U.S.-Saudi defense industry goes: “On Sunday, the Saudis watch *Game of Thrones*. On Monday, they ask the Americans about the pricing and availability of dragons.”

However, when the United States denies the Kingdom access to specific technologies, China has an opportunity to step in. This is the utility of the PRC in Saudi arms imports—to goad the United States into selling advanced weapons to Saudi Arabia. Saudi Arabia depends on the United States for a great deal of its security, but the Kingdom has taken steps to assert its independence. The Saudis resent that while they pay a great deal for arms from the United States, these imports have a slew of end-use conditions, such as the prohibition on basing planes in Taif or Tabuk. The Kingdom can acquire comparable arms from China without dramatic differences in quality.<sup>335</sup> But all three of the parties in these deals—Saudi Arabia, China, and the United States—know that the standard predominance of U.S.-Saudi security ties is not going away for some time.

The Sino-Saudi arms trade began in 1986 with the clandestine sale of 36 CSS-2 “East Wind” intermediate-range ballistic missiles (IRBMs) and nine launchers at an estimated cost of \$3.5 billion. This sale was not announced until 1990 when Saudi Arabia and China established formal diplomatic ties. (Admittedly, the *Washington Post* had broken the story in 1988.<sup>336</sup>) The CSS-2 missiles are also referred to as Dong Feng-3 (DF-3As).<sup>337</sup> Saudi Arabia was deeply concerned with its own security during the Iran-Iraq War, and it attempted to purchase surface-surface missiles from the United States. However, Washington declined to sell missiles to Riyadh. Incensed, the Kingdom turned to China to acquire a comparable system. The origin of this idea reportedly was with King Fahd. The Saudi monarch dispatched Prince Bandar Bin Sultan, a famous character in Saudi diplomacy who was then serving as the Kingdom’s ambassador to the United States, to Beijing to make initial inquiries about purchasing the missiles. When the Chinese agreed to the principle of the transaction, Prince Khaled Bin Sultan, a high-ranking member of the royal family, was entrusted with securing the final deal. He described the experience thus:

My task was to negotiate the deal, devise an appropriate deception plan, choose a team of Saudi officers and men and arrange for their training in both Saudi Arabia and China, build and defend operation bases and storage facilities in different parts of the Kingdom, arrange for the shipment of the missiles from China and, at every stage, be ready to defend the project against sabotage or any other form of attack.

The secret assignment was codenamed “Falcon.” The entire project was kept so secret that members of Bin Sultan’s team found themselves in marital spats—their wives were convinced their prolonged absence meant the team members had taken other wives.

Bin Sultan made four trips to China to negotiate the purchase. He obscured the true purpose of his travels by stopping through other Asian destinations first, including Malaysia and Hong Kong. To discourage contemporary Chinese arms sales to Iran, Bin Sultan spread the rumor that he was in China to purchase light arms. During one of their meetings, the Chinese negotiating team brought an umbrella lined with what looked like aluminum foil to hold over the clandestine documents. The Chinese claimed this device prevented electronic spying, though Bin Sultan was skeptical of this claim. One of the primary Chinese contacts during negotiations was Yang Shangkun, a “chain smoker with flawless memory for detail.” Yang was a high-ranking CCP member who later became the General Secretary of the Party and China’s head of state in 1988. When Bin Sultan first saw the missiles in person, he was told he was the first foreigner to see the DF-3A rockets and their nuclear warheads.

Private Saudi companies were used to design and construct the storage and launch sites with the help of Chinese technicians in al-Sulayyil, a desert backwater in the southwest on the edge of the Empty Quarter. The Saudi Air Defense soldiers working on the new airbase were sworn to secrecy. One soldier’s nosy father managed to learn of the missile base during a phone conversation with a nosy father, but Bin Sultan preserved its secrecy by hiring the father to serve as an imam on the base—a post the man kept for decades.<sup>338</sup>

Saudi secrecy around the missile base continues to this day. Despite continuous, intricate involvement between the U.S. and Saudi militaries, it is extremely uncommon to find any American service members who have interacted with the Saudi missile force.<sup>339</sup> For his role in the sale, Bin Sultan received the honorary title of “Father of Saudi Arabia’s Missile.” A Chinese delegation that visited the Kingdom some years later told Bin Sultan that they held him in the same regard as Henry Kissinger, the American diplomat credited with establishing U.S.-China ties.<sup>340</sup>



*Satellite images of the missile base<sup>341</sup>*

Although the missiles represented a new phase in Saudi defense technology acquisition, there was a slight problem. CSS-2 missiles are meant to carry

nuclear payloads, and thus do not require the higher accuracy of conventional missiles. However, the PRC did not include nuclear payloads in the sale to Saudi Arabia. Loaded with conventional warheads and without the appropriate targeting technology, the missiles were essentially impotent.<sup>342</sup> The symbolism of the deal, however, has done its intended work.

U.S. intelligence found out about the deal when an analyst spotted men with beards in satellite pictures of a secret Chinese missile base. Beards are not the Chinese military dress norm. U.S. intelligence officials initially feared that Iranians were on the base. Some further investigation revealed they were Saudis—the otherwise staunch U.S. partner.<sup>343</sup> The East Wind sale “scared the daylights” out of the Americans.<sup>344</sup> This pivot to China was completely unprecedented in the U.S.-Saudi defense industry relationship. Washington immediately chastised both Riyadh and Beijing for the deal. The U.S. ambassador to Saudi Arabia, Phillip Habib, and another diplomat, Hume Horan, were sent to convey U.S. displeasure directly to King Fahd. When their Saudi translator toned down the acerbic tone of the message, Ambassador Horan corrected the translator and began speaking in harsher Arabic himself to the king. King Fahd, needless to say, was not pleased.<sup>345</sup>

In the intervening decades after the East Wind deal, the Chinese and the Saudis have conducted only a few arms transactions (Figure 15). In 2007, the Kingdom ordered 54 PLZ-45 self-propelled howitzers (SPH) developed by Norinco. The PLA uses this artillery model as well, though not as often as the more modern PLZ-04. The PLZ-45 cannons have since been utilized by the Saudi military in Operation Decisive Storm in Yemen, the first known occasion that a modern Chinese SPH saw combat.<sup>346</sup> However, a howitzer is not a high-end deliverable—it uses technology from the 1950s. According to other reports, in 2007 Saudi Arabia purchased DF-21 East Wind missiles from China, the commensurate upgrade for the CSS-2 missiles. Allegedly, the U.S. Central Intelligence Agency approved the deal provided it could verify the missiles had no nuclear payload.<sup>347</sup> However,



the Stockholm International Peace Research Institute—the most comprehensive open-source weapons trade database—was not confident enough in reports of the sale to include it in its database.<sup>348</sup>

In 2014, after the United States declined to sell armed drones to Saudi Arabia, the Kingdom ordered a series of Chinese-made unmanned aerial vehicles (UAVs). China has two series of drones on the international market: the Wing Loong (I and II) series and the Chang Hong series—the most recent of which is the CH-7, but the CH-4 model is the one most exported in the Middle East. Both are Chinese attempts to cheaply recreate the U.S. Predator drone series. China has sold Saudi Arabia Wing Loong-1 drones, CH-4 drones, and Wing Loong-II drones. Saudi Arabia has deployed the CH-4 drones in Operation Decisive Storm.<sup>349</sup> Whether the CH-4 drones are a quality deliverable is still unclear. The PLA does not widely use them.<sup>350</sup> CH-3 and CH-4 crashes have been reported in Nigeria and Iraq.<sup>351</sup> Jordan is trying to sell one of its CH-4 drones.<sup>352</sup> Houthi forces shot down one of Saudi Arabia's CH-4 drones in Yemen.<sup>353</sup> The uncertainty about CH-4 drones could explain why the Kingdom only ordered more from the Wing Loong series. These rumors should be treated with the appropriate scrutiny—any weapons system is capable of failure.<sup>354</sup> The only other viable drone manufacturer in Turkey. As Saudi Arabia views Turkey as a puppet of Qatar, it considers China to be the better political option.<sup>355</sup>

As a result of the initial DF-3A sale, Americans are still anxious that China will become a factor in U.S. arms exports to the Kingdom. Weapons from China are cheaper and do not require the extra step of congressional approval. The Chinese government will not pass resolutions condemning the war in Yemen or speak disparagingly of arms sales to Saudi Arabia, a frequent sore point in U.S. domestic politics.<sup>356</sup> The politically savvy Saudi government does not want to be held hostage by the U.S. Congress. There are added Saudi anxieties about the changing nature of U.S. involvement in the Gulf and the broader Middle East. Such change has been on the table since 2008, but has been a slow process.



**FIGURE 15**

Chinese Arms Exports to Saudi Arabia					
Year Ordered	Weapon	Description	Number Ordered	Year Delivered	Number Delivered
1986	DF-3/CSS-2	Surface-to-Surface Missile	50	1987–1988	50
2007	PLZ-45 155mm	Self-Propelled Artillery	54	2008–2009	54
2014	CH-4	UAV	5	2015–2017	5
2014	Wing Loong-1	UAV	15	2015–2017	15
2017	Wing Loong-2	UAV	50	2017–2020	35

Source: Stockholm International Peace Research Institute

U.S. concerns about Chinese sales to Saudi Arabia are made more real by the repeated Saudi practice of ordering armed drones from the PRC in 2015 and 2017. Admittedly, it has been more than 30 years since the “East Wind” sale and the United States still will not sell surface-to-surface missiles to the Kingdom. This makes the Chinese purchase seem like weak leverage.<sup>367</sup> The alleged joint production of missiles, however, represents an escalation in this bargaining tactic, as will be discussed below. While U.S. weapons sales to Saudi Arabia vastly outweigh the Chinese share of Saudi arms purchases, more Sino-Saudi deals may emerge as the Kingdom tries to leverage more sales from the U.S. (See Figure 17.) To use a famous Deng Xiaoping saying, China is trying to cross this river by feeling the stones.

A unique feature of Sino-Saudi defense industry cooperation is a joint production. During King Salman’s visit to Beijing in 2017, China and Saudi Arabia signed a joint agreement to build hunter-killer drones. The King Abdulaziz City for Science and Technology (KACST) has a partnership agreement with China Aerospace

Science and Technology Corporation (CASC), the SOE that manufactures CH-4 drones. The Riyadh factory is the second such CH-4 production site outside of China, following one in Pakistan. It is the first Chinese drone factory in the Middle East.<sup>358</sup>

The factory is a sign of and a response to the commercial opportunity in Saudi Arabia. It is also an opportunity to bolster the bilateral relationship, which appears to be the main strategic objective of Chinese arms sales. Saudi Arabia has its own ambitious goals for domestic defense production, which involve marshaling the talents of foreign defense industries. It has established a defense conglomerate, Saudi Arabia Military Industries (SAMI), led by the former head of Germany's largest weapons producer.<sup>359</sup> KACST signed an agreement with a Ukrainian defense company to jointly produce An-132 aircraft, but the deal was scrapped in 2019.<sup>360</sup> The KACST-CASC CH-4 factory is an extension of that agenda.

According to recent reports, Sino-Saudi joint defense production has escalated beyond drones. In 2019, news broke that Saudi Arabia had built a production facility to create ballistic missiles. At the time, analysts identified technology in satellite photographs as comparable to Chinese missile technology.<sup>361</sup> Unnamed U.S. intelligence sources furthered this assessment in 2021, reporting that multiple agencies including the National Security Council had been briefed on missile technology exchange between Saudi Arabia and China. The production site is based in al-Watah, a town about 300 kilometers from Riyadh. Satellite photos show buildings and equipment consistent with rocket-engine production and a test facility. Much of the concern around the base is because this missile technology lays the foundation for eventual nuclear weapons technology.<sup>362</sup> In response, the Chinese foreign ministry released a typical statement that China and Saudi Arabia, "have maintained cooperation in all fields, including in the field of military trade. Such cooperation does not violate any international law and does not involve the proliferation of weapons of mass destruction."<sup>363</sup>



*Satellite images of the joint missile production site at al-Watah.<sup>364</sup>*

While speculating on the path to Saudi nuclear weapons acquisition, it is important to remember that Saudi Arabia is a signatory of the Treaty on the Nonproliferation of Nuclear Weapons. Much of Saudi rhetoric around gaining a nuclear bomb is tied to Iran's nuclear quest.<sup>365</sup> The greater takeaway from the domestic production of missiles is that Saudi Arabia has finally maneuvered around the U.S. refusal to sell missiles to Saudi Arabia, which inspired the "East Wind" deal with the PRC. This is a significant moment in the jockeying between the U.S. and China for Saudi arms purchases. It is yet unclear whether the missile production creates the high-end deliverables the Kingdom has sought for 30 years.

At the same time as China was selling the CSS-2 missiles to the Saudis, it was making inroads selling conventional weapons to Iran during the Iran-Iraq War. By the end of the war, it had sold \$3.3 billion of equipment to Iran—and also supplied weapons to the Iraqis.<sup>366</sup>



Declassified CIA cable on China's arms export to Iran, April 1984<sup>367</sup>

The 1980s was the initial peak of Chinese global arms sales. It climbed to sixth place among suppliers.<sup>368</sup> During this time, Iran ordered fighter aircraft, tanks, guns, and missiles from the PRC.<sup>369</sup> In the 1990s, the Chinese defense industry was navigating existential crises after the fall of the Soviet Union and events like the Taiwan Strait missile crisis.<sup>370</sup> During this period, Iran placed orders for more missiles, radar, guns, and light aircraft. There were some sporadic orders for missiles in the early 2000s, the final one being in 2005. After that, Iran ordered no more weapons from China, though previously scheduled deliveries may have been taking place as late as 2015 (see Figures 16, 17, and 18).<sup>371</sup> Iran has not acquired any of the more recent, high-end Chinese-developed technology. One area of anxiety for the U.S. is Iranian access to Chinese satellite technology. In 2015, SA Iran—a state-owned subsidiary of the Ministry of Defense—signed an agreement with China to use the BeiDou-2 satellite navigation system for military purposes. This system is more accurate than the more commercially available GPS systems and can enhance hardware across the board.<sup>372</sup> Chinese arms sales include access to China's BeiDou satellite network.<sup>373</sup>

**FIGURE 16**

<b>Chinese Arms Exports to Iran</b>					
<b>Year Ordered</b>	<b>Weapon</b>	<b>Description</b>	<b>Number Ordered</b>	<b>Year Delivered</b>	<b>Number Delivered</b>
1981	F-6	Fighter Aircraft	16	1982–1984	16
1981	Type-59	Tank	300	1982–1984	300
1981	Type-59-1 130 mm	Towed Gun	300	1982–1984	300
1981	Type-63 107 mm Towed MRL	Rocket Launcher	300	1981–1987	300
1982	Red Arrow-73	Anti-Tank Missile	6,500	1982–1988	6,500
1985	Type-63 107 mm Towed MRL	Rocket Launcher	250	1986–1990	250
1985	D-74 122mm	Towed Gun	100	1985–1986	100
1985	F-7A/J-7	Fighter Aircraft	5	1986	5
1985	HN-5A	Portable Surface-to-Air Missile	500	1986–1988	500
1985	HQ-2/CSA-1	Surface-to-Air Missile	150	1985–1986	150
1985	HQ-2/CSA-1	Surface-to-Air Missile System	6	1985–1986	6
1985	Type-59-1 130mm	Towed Gun	100	1985–1986	100
1986	C-801	Anti-Ship Missile	100	1987	100
1986	HY-2 CDS	Coastal Defense System	7	1986–1987	7
1986	HY-2/SY-1A/CSS-N-2	Anti-Ship Missile	75	1986–1987	75
1986	PL-2	Short Range Air-to-Air Missile	600	1986–1988	600
1986	PL-7	Short Range Air-to-Air Missile	400	1986–1988	400
1986	Type-59-1 130mm	Towed Gun	120	1987	120
1986	Type-69	Tank	500	1986–1988	500
1988	HY-2/SY-1A/CSS-N-2	Anti-Ship Missile	100	1988–1994	100
1989	M-7/CSS-8	Surface-to-Surface Missile	200	1990–1994	200
1989	CSS-8 TEL	Mobile Surface-to-Surface Missile Launcher	30	1990–1994	30
1989	HQ-2/CSA-1	Surface-to-Air Missile System	8	1989–1991	8
1989	HQ-2/CSA-1	Surface-to-Air Missile	200	1989–1991	200
1990	WA-021/Type-88 155mm	Towed Gun	15	1991	15
1991	F-7M Airguard	Fighter Aircraft	25	1993	25
1991	Type-59-1 130mm	Towed Gun	106	1992	106

Year Ordered	Weapon	Description	Number Ordered	Year Delivered	Number Delivered
1992	C-802	Anti-Ship Missile	380	1994–2012	380
1992	C-801	Anti-Ship Missile`	125	1995–1998	125
1992	Hudong	Forward Air Control	10	1994–1996	10
1993	QW-1 Vanguard	Portable Surface-to-Air Missile	1,100	1996–2006	1,100
1993	Y-12	Light Air Transport Aircraft	9	1994–1995	9
1994	Y-7	Transport Aircraft	2	1998	2
1995	F-7M Airguard	Fighter Aircraft	5	1996	5
1996	Type-86	Armored Personnel Carrier	150	1997–2011	150
1996	JY-14	Air Search Radar	3	1999–2001	3
1998	FL-6	Anti-Ship Missile	260	1999–2015	260
1998	C-701/FL-8	Anti-Ship Missile	40	2001–2004	40
1998	Crotale	Mobile Surface-to-Air Missile System	6	1999–2004	6
1998	R-440 Crotale	Surface-to-Air-Missile	250	1999–2004	250
2000	China Cat	Forward Air Control	9	2001–2004	9
2002	TL-10/FL-8	Anti-Ship Missile	150	2004–2015	150
2003	C-704	Anti-Ship Missile	50	2010–2011	50
2004	C-801	Anti-Ship Missile	50	2006–2015	50
2005	QW-11	Portable Surface-to-Air Missile	650	2006–2015	650

Source: Stockholm International Peace Research Institute

UN multilateral sanctions are the biggest impediment to Chinese arms sales to Iran. Sanctions have been imposed on the Islamic Republic since 2006 in addition to the rotating variety of U.S. unilateral weapons sanctions on Iran since 1984. Even though the 2006 multilateral sanctions were initiated specifically in response to Iran’s nuclear program and do not name conventional weapons, they have nevertheless stunted Tehran’s access to the market. It is useful to remember that the arms embargo on Iran is not total—there are some loopholes, including air defense, small arms, and missiles with a range of less than 25 kilometers. The loopholes are a testament to the ways in which arms embargoes are not written clearly.

To date, there is no evidence of any major Chinese violations of the Iran arms embargo. China itself voted for the multilateral sanctions on the UN Security Council that have stunted hampered trade.<sup>374</sup> Pressure from the United States has curtailed Chinese weapons sales in Iran.<sup>375</sup> Specifically, American pressure has addressed the sale of drones. The fact that Saudi Arabia has used Chinese weaponry (which Iran cannot obtain) in Yemen surely vexes the Islamic Republic. However, Iran must take what it can get for its arms suppliers. The only other countries that have delivered weapons to Iran from 2000 to 2019 are Russia and some sporadic business with Belarus, North Korea, Pakistan, and Ukraine. Iran is missing out on the joint arms production enjoyed by Saudi Arabia and its drone factory. The Draft CSP with Iran seeks to rectify this situation by calling for more joint ventures along with broader cooperation in the defense industry.<sup>376</sup> As in all issue areas identified in the CSP, that statement is more aspiration than commitment.

The arms embargo on Iran expired on October 18, 2020, five years after the UN Security Council endorsed the JCPOA. On August 14, an American-drafted UN Security Council resolution to extend the arms embargo failed—only the United States and the Dominican Republic voted in favor. China and Russia voted against it and the remaining 11 member states abstained.<sup>377</sup> China once again proclaimed itself as Iran's champion against sanctions and declared the United States a bully.<sup>378</sup> The declining state of U.S.-Chinese bilateral ties was not enough to marshal China in multilateral support of American objectives in Iran, as had often been the case before. This incident in the UN Security Council was an ill omen for both the U.S.-China relationship and the United States' efforts in multilateralism in general.

There had been some speculation that China would step in on the stroke of midnight on October 18 to become a major arms supplier to Iran. It is certainly true that the lift of the embargo presents an opportunity for the Chinese defense industry.<sup>379</sup> China has bristled at this suggestion, keen on maintaining its reputation as a legitimate international player. When asked about the issue on October 19, Chinese Foreign Ministry spokesperson Zhao Lijian replied:



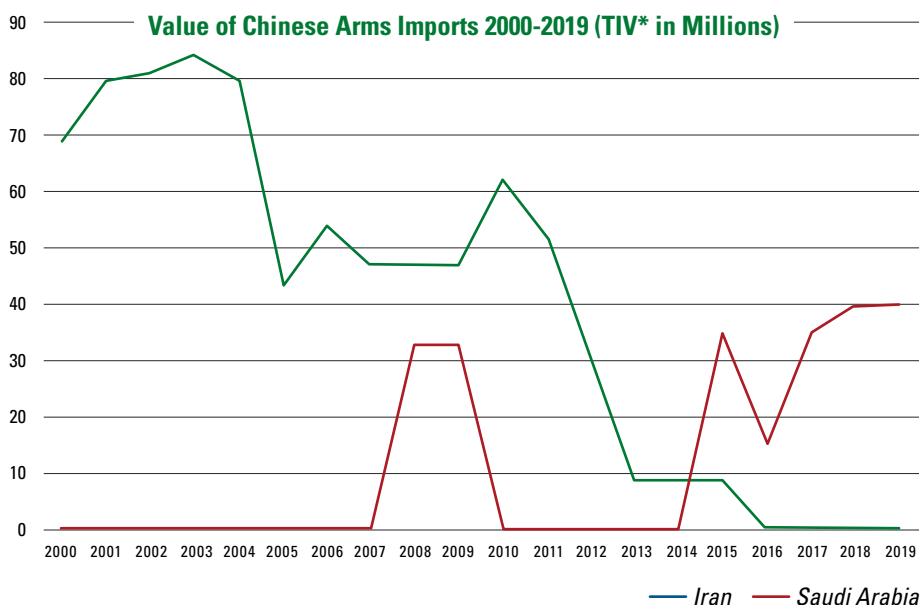
According to the UN Security Council Resolution 2231, the Security Council's arms embargo and travel restrictions against Iran expired on October 18, marking the completion of the first phase of the implementation of Resolution 2231. This is an important moment in the implementation process of the JCPOA and Resolution 2231, reflecting the international community's common position on upholding multilateralism, the authority of the Security Council, the existing outcomes of the Iranian nuclear issue, and the efficacy of the JCPOA. China will work with all parties to continue maintaining the steady follow-up implementation of the JCPOA and Resolution 2231, move forward the political and diplomatic settlement of the Iranian nuclear issue, and safeguard the international non-proliferation system and peace and stability of the Middle East and the Gulf region.

The Security Council Resolution 2231 has a clear stipulation of lifting the restrictive measures like the arms embargo against Iran, which should be faithfully implemented. China has been committed to safeguarding peace and stability in the Middle East and the Gulf region, and proactively advancing the political and diplomatic settlement of the Iranian nuclear issue. Following our policy on the export of military articles and our international obligations, China will continue handling arms trade in a prudent manner.

There are factors on both the Iranian side and the Chinese side that prevent an immediate surge in orders. Iran's economy is in a dire state. The Islamic Republic does not have the money to spend on major weapons transfers.<sup>380</sup> Iran is also working to strengthen its domestic defense production. Domestic production has the benefit of injecting jobs into the local Iranian economy. The kind of weaponry Iran craves—air-to-air combat machinery or air defense systems—is not something China makes. China cannot produce a jet engine. Chinese companies are adept at manufacturing tanks, but Iran's style of warfare is asymmetric and unconventional. These tactics are not a good match for Chinese howitzers. The logical partner for air defense technology in Russia.<sup>381</sup>

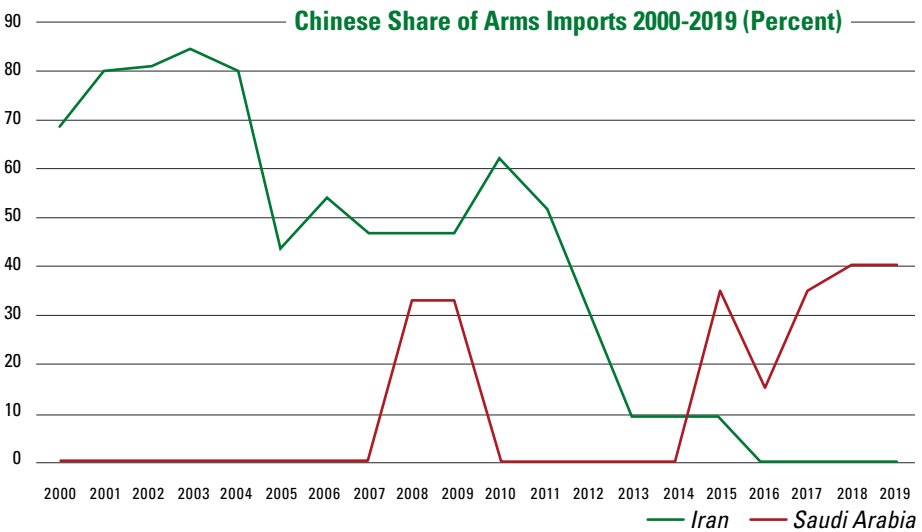
On the Chinese side, the PRC does not want to upset its many valuable partnerships in the Gulf, including Saudi Arabia. In this area in arms sales, the Kingdom can exercise some real leverage. It can hold out Iran as a bargaining chip and agree to purchase weapons with the provision they are not offered to Iran.<sup>382</sup> With the Iran arms embargo, Saudi Arabia has not had the opportunity to test China in this way. It may get the chance soon.

**FIGURE 17**



Source: Stockholm International Peace Research Institute<sup>383</sup>

\*SIPRI statistical data on arms transfers relates to actual deliveries of major conventional weapons. To permit comparison between the data on such deliveries of different weapons and to identify general trends, SIPRI has developed a unique system to measure the volume of international transfers of major conventional weapons using a common unit, the trend-indicator value (TIV). The TIV is based on the known unit production costs of a core set of weapons and is intended to represent the transfer of military resources rather than the financial value of the transfer. Weapons for which a production cost is not known are compared with core weapons based on size and performance characteristics (weight, speed, range, and payload); type of electronics, loading or unloading arrangements, engine, tracks or wheels, armament, and materials; and the year in which the weapon was produced.

**FIGURE 18**

Source: Stockholm International Peace Research Institute<sup>384</sup>

## Joint Drills: Sending a Message to the World

*The wargame seeks to deliver this message to the world that any kind of security at sea must include the interests of all concerned countries. We do not condone the kind of security that only caters to the benefits of one specific country at a specific time and which disregards the security of others.*

—Iranian naval commander Rear Adm. Hossein Khanzadi, 2019<sup>385</sup>

*A joint Iran-Russia-China military exercise kicked off in the Gulf of Oman on Friday, to which Western media has been paying close attention. Their commentaries mostly focus on tensions between Iran and the US, Iran, and Saudi Arabia, as well as ties among Iran, China, and Russia, all identified as competitors by the US as the three powers showcase their unity. Those analysts have obviously thought too much.*

—*The Global Times* (CCP newspaper), 2019<sup>386</sup>

*The exercise targets building mutual trust, enhancing cooperation between the Saudi Royal Navy and the Chinese PLA Navy, exchanging experiences, developing the capacity of participants to combat maritime terrorism and piracy, and improving training and combat readiness.*

—Operation Blue Sword commander Col. Abdullah Mohammed Al-Omari, 2019<sup>387</sup>

Alongside the support of China's defense industry, Beijing has championed military-to-military diplomacy. Just as in arms sales, military diplomacy is a subordinate tool that helps to carry out broader Chinese foreign policy objectives. This diplomacy largely appears in bilateral relationships and drills, as China has not developed the clout to organize multilateral military cooperation.<sup>388</sup> One objective of military diplomacy is to enhance China's reputation as a provider of public goods and a serious player on the international stage. The most visible form of Chinese military diplomacy is meetings between senior PLA officials and foreign military leaders. Both are notable in the Persian Gulf security scene. However, Sino-Gulf security cooperation is still dwarfed by other extraregional security partnerships that are the bedrock of defense architecture.

When it comes to military diplomacy with Saudi Arabia and Iran, the PLA handles both powers delicately. Of the most direct methods of military-to-military diplomacy, namely joint exercises, China mainly engages in uncontroversial pretexts in nontraditional security areas like antipiracy and counterterrorism drills. What uncontroversial drills the PRC will conduct with one rival, it will conduct with close parity for the other. This deft stance is not just a result of balancing rivals. China has similar security priorities to both countries. In broad strokes, Chinese, Saudi, and Iranian interests overlap along the pretexts of keeping maritime lanes open and terrorists out of work. The maritime connections between China, Saudi Arabia, and Iran—as well as the PRC's push to expand its navy—have put the PLAN at the forefront of military diplomacy in the Persian Gulf.

The beginning of Chinese defense cooperation in the Middle East came alongside greater Chinese involvement in antipiracy escort missions off the east coast

of Africa. The PLAN cut its eyeteeth on antipiracy escort missions in the Gulf of Aden with the multilateral shared awareness and deconfliction missions beginning in 2008. China has legitimate interests in antipiracy. The rise in piracy off the Horn of Africa in the early 2010s alarmed the international community and received both American and Chinese cinematic treatment with *Captain Phillips* and *Wolf Warrior 2*, respectively.<sup>389</sup> China is the top exporter of containerized cargo.<sup>390</sup> Two-thirds of all containers pass through Chinese ports or ports that have received Chinese investment.<sup>391</sup> With piracy affecting the majority of the world's sea lanes, the potential cost to China is astronomical.<sup>392</sup> The economic impact of the coronavirus has spurred a recent rise in pirate attacks.<sup>393</sup> Piracy adds to the worries of Chinese officials about open access to the waterways of Middle East commerce.

The natural extension of China's antipiracy missions is its new naval base in Obock on the coast of Djibouti. When the base opened in 2017—in the same month *Wolf Warrior 2* was released—eyebrows went up around the world. After all, this was the PRC's first international military base. Chinese officials state the base is only logistical support for PLAN antipiracy escort missions. U.S. officials voiced skepticism on that front. In 2018, the United States accused the PRC of directing lasers at American aircraft from the base.<sup>394</sup> Officials have raised the question of whether the base is part of a Chinese plan of debt entrapment for Djibouti.<sup>395</sup>

There are other, less belligerent speculations about the installation. The base can serve as a contingency plan for any future evacuations of Chinese nationals from the volatile region. This concern is backed by the PRC's previous evacuations from Libya in 2011 and Yemen in 2015.<sup>396</sup> The number of Chinese workers in the Middle East is only expected to grow. The base is useful for the increasing number of port calls and joint drills in which China has engaged the region.

A port call is when PLAN vessels visit a foreign port or host foreign ships in Chinese ports. The increased activities of PLAN Escort Task Forces (ETFs) off the coast of Somalia have opened the door for port calls in the Middle East en

route to and returning from missions. ETF port calls fall into two categories. The first type is replenishment visits, which usually last two to three days. Vessels receive fuel, fresh water, vegetables, and fruits. Crews are met by the Chinese ambassador and military attaches, but the ships are not open to public display. There is no interaction with the host country's navy. The second type is friendly visits, which last two to four days. The crew is met by the Chinese ambassador and military attaches alongside the host-country government and military officials. Chinese nationals in the country can attend welcoming and departure ceremonies, and the vessels are open to the public. PLAN crewmembers often play basketball or soccer with the host navy. Port calls are made by non-ETF, training, and hospital vessels as well.<sup>397</sup>

The genesis of Chinese military cooperation with Saudi Arabia was the original sale of the CSS-2 missiles. However, the rancor this deal generated in Washington slowed any momentum for defense cooperation. China's military path did not take it to the Kingdom for another 20 years. The two powers signed their first security agreement after a flurry of reciprocal state visits from 2006 to 2009. The security agreement was aided by Saudi supremacy in Chinese oil imports. During those visits, Chairman Hu Jintao stressed the need for Sino-Saudi cooperation in "their efforts to safeguard national sovereignty and territorial integrity and to continue strengthening mutual support and cooperation on international regional affairs." Hu's language on security drew a stark contrast with the United States under President George W. Bush, who called for the democratization of the region.<sup>398</sup> Once again, non-interference rhetoric from the PRC is common when it wants to assert itself as an alternative to the United States.

Soon after came China's first port call to the Kingdom. On November 27, 2010, China's sixth naval escort flotilla pulled into Jeddah Islamic Port on the coast of the Red Sea for a five-day friendly visit. ETF-6 had just completed a five-month-long mission in the Gulf of Aden. The ships included the PLAN's largest surface combatant vessel, the amphibious dock landing ship *Kunlunshan*, along with the missile destroyer *Lanzhou* and the supply ship *Weishanhu*. Attendees at

the reception hosted on the deck of the *Kunlunshan* included naval and diplomatic representatives from both countries, among hundreds of other guests. The port call did not include joint exercises.<sup>399</sup> A joint exercise was premature in their security relationship when stagecraft accomplished the objective and avoided irking the United States. The port call was in line with the Chinese strategy of using military diplomacy to support bilateral connections. The exchange did not signal something new, but rather complemented burgeoning economic and diplomatic ties.

The first joint Sino-Saudi drill came in October 2016 after Xi Jinping's January visit to the Kingdom, when the bilateral relationship ascended to a CSP. The CSP was not the only document serving as the basis for drills. In 2015, China passed the Counterterrorism Law of the People's Republic of China, a sweeping legal document that addressed everything from the definition of terrorism to designating an incident response system.<sup>400</sup> The launch of this law falls under the umbrella of the CCP's "Strike Hard Campaign Against Violent Terrorism," announced in 2014.<sup>401</sup> The 2015 Counterterrorism Law stipulates joint drills with other countries under "Chapter VII: International Cooperation." Article 69 states:

The relevant departments of the State Council, as authorized by the State Council, represent the Chinese government in counter-terrorism policy dialogues and exchanges of intelligence information, enforcement cooperation, and international financial monitoring with foreign nations and relevant international organizations.

Provided that it does not violate Chinese law, the people's governments at the county level or above in border regions and their competent departments, may initiate exchanges of counter-terrorism intelligence information, cooperative enforcement and monitoring of international funds with neighboring nations and regions upon approval by the State Council or relevant central government departments.<sup>402</sup>



Chinese soil provided the ground for the first Sino-Saudi joint exercises, dubbed “Exploration 2016.”<sup>403</sup> Twenty-five officials from each side met in Chongqing in southwestern China for two weeks of counterterrorism drills. Each nation’s special forces performed various operations, including storming buildings with sniper support and rescuing hostages from buildings and public transportation.<sup>404</sup> The drill took place days after China concluded joint antiterrorism drills with forces from Tajikistan along the Tajik-Afghan border.<sup>405</sup> This joint drill brought the Sino-Saudi military from the far-flung theatre of antipiracy to China’s own counterterrorism realm: Xinjiang. Beijing treats the autonomous Uyghur region as a threat of Islamist and separatist terror, an attitude that has prevailed since Xinjiang came under PRC control in 1955.<sup>406</sup> That anxiety is heightened by the border Xinjiang shares with Afghanistan. The brief Saudi entree into this security dynamic was a nod to the Kingdom’s own credentials in counterterrorism. It signaled the broader success of Saudi-Chinese ties, as exemplified by the recently-signed CSP.

PLAN ships paid port calls to Jeddah twice during 2017. The first, a five-day friendly visit, came on January 9 after three ETF-24 ships—the guided-missile destroyer *Harbin*, the guided-missile frigate *Handan*, and the comprehensive supply ship *Dongpinghu*—completed escort missions in the Gulf of Aden. The ETF was greeted in the port by over 200 people, including China’s ambassador to the Kingdom and representatives from the Royal Saudi Navy. Chinese PLAN officials visited the Royal Saudi Navy’s naval tactical center and the maritime fire-fighting simulation center. After the visit, the ETF continued its tour to Qatar, the UAE, and Kuwait.<sup>407</sup> On July 31, three more PLAN ships—the formation destroyer *Changchun*, the guided-missile frigate *Jingzhou*, and the integrated supply ship *Chaohu*—pulled into Jeddah Islamic Port for another friendly visit after visiting Greece. A similar cast of attendees attended various receptions, and Chinese and Saudi dance troupes performed.<sup>408</sup>

In 2019, the PLAN and Royal Saudi Navy reunited in Jeddah for Operation Blue Sword, the most serious Sino-Saudi military undertaking thus far.<sup>409</sup> The Royal

Saudi Western Fleet special forces and PLAN Sea Dragon Commandos spent three weeks training together in counterterrorism and counterpiracy techniques, based at the King Faisal Naval Base.<sup>410</sup> A video released by the Saudi Ministry of Defense set to dramatic music shows Saudi and Chinese forces in boats zipping over the water and boarding ships, or rappelling down from helicopters and storming buildings on the military desert training compound outside of Jeddah.<sup>411</sup> CCTV Arabic released footage from the training set to swelling patriotic music.<sup>412</sup> Pictures from the Saudi Press Agency, the official media arm of the Saudi government, show officers in ghillie suits engaging in target practice as well as other activities more akin to stagecraft, such as joint briefings.<sup>413</sup>



*Chinese and Saudi special forces during Operation Blue Sword 2019.<sup>414</sup>*

Notably, China's military cooperation with Saudi Arabia has been contained to Jeddah on the west coast. Jeddah is convenient for Chinese escort missions in the Gulf of Aden. More likely, the Saudi military has deliberately kept Chinese forces to the west for two reasons. First, much like the Chinese missile installation placement, it is far from the American hub of Riyadh. The Kingdom supports

U.S. security installations in the Persian Gulf, and it was not advantageous to the U.S.-Saudi relationship to bring Chinese forces anywhere near American ones.<sup>415</sup> The second reason is that Jeddah is far from Iran and the fraught Strait of Hormuz. The Kingdom is aware of Chinese security cooperation with Iran. Sino-Iranian military interaction may be limited, but that cooperation is sensitive enough to upset China's regional balancing. The PRC does not want any overlap between its military cooperation with Iran and Saudi Arabia. The Kingdom has interests in avoiding this hot spot in its partnership with China. Additionally, the Saudi military is invested in preventing the spread of its technical knowledge and capabilities to Iran via a shared partner.

In terms of joint military exercises with China, Iran largely has been playing catch-up with the other countries of the Middle East.<sup>416</sup> This is not surprising for a few reasons. First and foremost, Beijing views military cooperation as a means for supporting and enhancing general bilateral ties, and its ties with Tehran are fraught with tension owing to internal difficulties on both sides and international pressure. Tensions are even higher when it comes to security. While this is most apparent in the realm of nuclear cooperation, it has colored everything in the realm of hard power. In China's eyes, joint exercises and port calls are only a boon to the Sino-Iranian partnership when used sparingly relative to other countries in the Middle East.

In March 2013, the *Sabalan*, an Iranian destroyer, and the *Kharg*, a helicopter carrier, docked in the port city of Zhangjiagang near Shanghai after a 40-day voyage. The port call was baked into a larger talk from the Iranian navy about becoming an international force. The visit coincided with Iran's first deployment to the Pacific Ocean.<sup>417</sup> If Iran was going to move further afield at sea, China was willing to provide a starting place. Once again, Iran could use its partnership with China to rhetorically project international aspirations. Contrastingly, the PRC itself was demure about the visit, providing scant media coverage of it.

In September 2014, the first PLAN port call to Iran occurred when the ETF-17, which included the *Changchun* and the *Changzhou*, visited Bandar Abbas Port in

the Strait of Hormuz.<sup>418</sup>This call took place months after a May meeting between the Chinese defense minister and his Iranian counterpart.<sup>419</sup>The port call was a five-day friendly visit with the usual reception and sporting events. Iranian state news claimed joint rescue exercises were planned under the codename “Velayat 3.”<sup>420</sup> Chinese state media did not mention any planned exercises, in keeping with its staid rhetoric on Iran.<sup>421</sup>

At the time of the port call, there was speculation that China was looking to strengthen its relationship with Iran as a nuclear deal looked more likely. If Iran were to improve relations with the West, China could be jilted from its seemingly noncompetitive place in the market.<sup>422</sup> This anxiety was one reflected across sectors at the time. The nuclear deal as a factor seems likely considering that the PRC uses military cooperation to support broader ties. Introducing a new element of security, years after other countries of the broader Middle East first received that kind of cooperation, was a signal that China took the Sino-Iranian partnership seriously.



*Iranian naval forces greet the PLAN during a port call to Port Bandar Abbas in 2014<sup>423</sup>*

The PLAN did not call in at Bandar Abbas for another three years, after China signed its CSP with Iran in January 2016 and a military cooperation agreement in November 2016.<sup>424</sup> On June 15, 2017, PLAN ships including the *Changchun*, replenishment ship *Chaohu*, and the frigate *Jinzhou*, docked at Bandar Abbas and Qeshm Island en route to Oman. This time, Chinese state media acknowledged joint drills were on the agenda.<sup>425</sup> The drills began on June 18, one day after the U.S. Navy conducted joint drills with Qatar in the Persian Gulf.<sup>426</sup> The drills simulated antipiracy operations and relief and rescue operations.<sup>427</sup>

China's open acknowledgment of these maneuvers can be attributed to a few factors. First, the international community had just signed the JCPOA the year before, and many Chinese entities, including the government, were optimistic about normalizing relations with Iran. Continuing military cooperation under uncontroversial pretexts like antipiracy was in line with those forecasts. In the same stroke, the timing of the Sino-Iranian drills, so close on the heels of an American one, committed China to an unusual amount of anti-U.S. posturing in the Middle East. Fresh into the Trump administration, under a president who campaigned on a trade war with China and exiting the JCPOA, a joint drill with Iran was the PRC's version of a chilly rebuke. China and Iran both use these joint drills to communicate different messages to the United States and its allies.

The real warning shot came two years later in 2019. In November, the Iranian government announced its plans to conduct joint drills with China and a new player—Russia. The tripartite drills, named “Marine Security Belt,” placed the three countries together for the first time in the Gulf of Oman and the Indian Ocean for antipiracy exercises and counterterrorism operations.<sup>428</sup> Russia and China have been conducting joint annual drills since 2012, a boon for the inexperienced PLAN to learn from the battle-tested Russian navy. This drill marked the first inclusion of Iran and the second-ever China-Russia tripartite drill—in November, China and Russia conducted tripartite drills with South Africa dubbed “Mosi.”<sup>429</sup>

For the Marine Security Belt, China sent the guided-missile destroyer *Xining*. Russia dispatched the frigate *Yaroslav Mudry*, the tanker *Elnya*, and the tugboat *Viktor Konetsky*. Sailing from the southern Chabahar Port, the Iranian navy provided the frigate *Alborz*, the frigate *Sahand*, the corvette *Bayandor*, the hovercraft *Tondar*, and the Islamic Revolutionary Guard Corps vessels *Shahid Naserinejad* and the *Shahid Nazeri*.<sup>430</sup> Iranian state television stated that the drills included rescue missions over 17,000 square kilometers for ships on fire or vessels under attack from pirates, as well as shooting exercises.<sup>431</sup>



PLAN sailors during Marine Security Belt 2019<sup>432</sup>

The inclusion of Russia in this entente raised eyebrows in Washington and around the world.<sup>433</sup> Iranian officials and state press made grand statements about the nature of the drills. Iran's naval commander imbued them with "sending a message to the world." That message, and the impetus for bold rhetoric,



was nicely summed up by the Iranian flotilla commander on Iranian state television: “Its result will be to show Iran cannot be isolated.”<sup>434</sup>

For its part, China stuck to its position of distancing. The Xinhua state media article that marked the beginning of the drill briefly mentioned Iran and devoted the second half to a discussion of planned drills with Tanzania. A spokesperson for the Chinese defense ministry gave the bland statement: “The joint exercise is a normal military exchange arrangement of the three countries. It is in line with related international laws and practices and has no connection with the regional situation.”<sup>435</sup> The spokesperson was almost certainly referencing Saudi-Iranian tensions. The animosity between the rivals was at an all-time high after the strikes on the Abqaiq and Khurais oil processing facilities only a couple of months prior, which the Kingdom blamed on Iran. To ensure this balancing, the tripartite drills occurred shortly on the heels of Operation Blue Sword with the Royal Saudi Navy.

Less than two years later, in February 2021, China, Russia, and Iran reunited in the Indian Ocean for a second time for joint drills under the banner of “Marine Security Belt 2021.” The exercises focused on search and rescue missions alongside other shipping safety drills.<sup>436</sup> It appears this trilateral pattern of cooperation is here to stay as Chinese tensions with the United States remain unabated, even with the change in U.S. administrations. Russia’s ambassador to China has stated that the drills will continue on an annual basis.<sup>437</sup>












Despite minimizing the importance of these drills with Iran in government statements, antagonizing the United States was one of the Chinese government’s political objectives alongside its security interests. Tensions between China and the United States had deteriorated significantly as each nation sunk further into the promised trade war. China’s security partnership with Iran is a lever by which the former can put pressure on the United States. The inclusion of Russia only exacerbated it. The PRC is straddling a precarious line of placating Saudi Arabia while nettling the United States. That conflict in political messaging has made



pursuing its security interests with Iran much more complicated than the PRC would like in an already fraught bilateral relationship.

The introduction of Chinese port calls and joint drills in the Persian Gulf and Gulf of Aden has been a slow process, only gaining real momentum with the elevation of the Sino-Saudi and Sino-Iranian relationships to that of a CSP (see Figure 19). This tracks with China’s attitude that such exercises are meant to supplement bilateral ties rather than enhance partner countries’ military capabilities. Iran only received this kind of military-to-military diplomacy when the JCPOA appeared imminent. Since 2017, the PRC has managed these two routes for cooperation with an even hand, not conducting a drill with one without conducting another with the rival

**FIGURE 19**

Year	Port Call	Joint Drill
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017	   	
2018		
2019		 
2020		
2021		

## The Nuclear Issue: Left of Boom

*These people [Americans] need slaves and servants. The Islamic Republic has shown nothing but absolute dignity and honor to them, and they cannot tolerate it. They want rulers whose pockets they can reach into and whose resources they can usurp... . Unfortunately, this state of affairs exists in the many Persian Gulf and Western Asian countries. Such countries are poor and meek before the US. What can we say about those who give in so easily? They are like acquiescent servants.*

— Supreme Leader Ayatollah Ali Khomeini, 2018<sup>438</sup>

*If Iran developed a nuclear bomb, we will follow suit as soon as possible.*

— Crown Prince Mohammed bin Salman, 2018<sup>439</sup>

*In no case can we afford to allow the Iranian nuclear issue to go back to the old road of confrontation.*

— Ambassador Wang Qun, remarks to the IAEA Board of Governors, 2020<sup>440</sup>

As a member of the UN Security Council, China has become a key part of multi-lateral efforts to stem one of the most chronic nuclear proliferation cases in the world and a key grievance in the Saudi-Iranian rivalry: Iranian nuclear development.

Iran became interested in nuclear technology beginning in the 1950s under the rule of the shah. The United States provided technical assistance as part of its U.S. Atoms for Peace program. Iran pursued several foreign nuclear contracts and sent technicians abroad for training. By 1979, Iran had developed baseline capabilities in nuclear technology. However, the Islamic Revolution paused development for the next five years. A significant portion of Iran's nuclear talent fled the country because of the political upheaval, and Supreme Leader Khomeini was expressly opposed to nuclear technology. Khomeini reversed his position in 1984 during the Iran-Iraq War. Once the conflict ended in 1988,

Iran was free to pursue nuclear technology acquisition. Iran pursued nuclear cooperation agreements with various countries, most significantly Russia in the 1990s.

In 2003, the IAEA, the international monitoring body for nuclear energy, began to inspect facilities and meet with Iranian officials to determine the nature of Iran's nuclear program. The IAEA encouraged Iran to suspend its enrichment attempts and grant the Agency permission to conduct inspections by signing the Additional Protocol, adding a note that Iran's past concealment of nuclear development was concerning. Despite negotiations with France, Germany, and the United Kingdom, Iran kept developing its nuclear capabilities in secret, as the IAEA later discovered. When the IAEA pressed for Iranian cooperation, Iran admitted to previous clandestine imports of centrifuges. In an IAEA inspection, traces of highly enriched uranium of foreign origin were found on Iranian equipment. In 2005, Iran abandoned any semblance of cooperation and resumed uranium conversion activities at the facility in Esfahan. That same year, the United States began ratcheting up sanctions on Iran (see "A Timeline on Sanctions on Iran"). The UN Security Council began adopting resolutions demanding a halt to Iran's nuclear activities. Talks over the intervening years broke down.

In 2013, Hasan Rouhani became the president of Iran, signaling an opportunity for a possible resolution. After three rounds of talks facilitated by the IAEA, the P5+1 states—the five permanent UN Security Council members plus Germany—and Iran signed the JCPOA on July 14, 2015, which the UN Security Council endorsed with Resolution 2231. The JCPOA required Iran to reduce operational centrifuges at the Natanz enrichment facility, halt enrichment of uranium, ratify the Additional Protocol, allow IAEA inspections of the entire fuel cycle, and establish a joint procurement channel to obtain materials for its nuclear facilities under the guidelines of international nuclear supply regimes.<sup>441</sup> Quarterly IAEA reports on Iran's implementation of the JCPOA while all parties remained signatories showed that Iran was generally compliant.

However, in 2017, U.S. President Donald Trump announced the U.S. withdrawal from the JCPOA, alleging that Iran had not complied with the “spirit” of the deal, and threatened to reimpose sanctions on Iran. The United States made good on that promise and formally withdrew in 2018. Iranian President Rouhani criticized the American withdrawal and announced plans to discuss options for saving the JCPOA with the remaining P5+1 nations. But after about two years, Iran began violating some JCPOA restrictions. It announced it was abandoning limitations on uranium enrichment two days after the United States killed Islamic Revolutionary Guard Corps commander Qassem Soleimani in a drone strike in Iraq.<sup>442</sup> The Biden administration has made efforts to reenter the agreement alongside Iran under the leadership of President Raisi, but progress has been slow.<sup>443</sup>

## A Timeline of Sanctions on Iran

Iran has been subject to unilateral and multilateral sanctions at one point or another since 1979. The following is a brief timeline on the rotating sanctions regimes on the Islamic Republic.<sup>444</sup>

### U.S. unilateral sanctions

### UN multilateral sanctions

### European Union multilateral sanctions

- **1979:** After the beginning of the Iranian hostage crisis, President Jimmy Carter signs Executive Order (EO) 12170, which includes freezing approximately \$12 billion in Iranian assets and a trade embargo. The sanctions were lifted as part of the 1981 Algiers Accord and the negotiated release of the hostages, but the fate of some assets is still uncertain.
- **1984:** The United States imposes sanctions on arms sales to Iran after Hezbollah is implicated in the bombing of the U.S. Marine base in Beirut, Lebanon. The same year, the United States designates Iran

a state sponsor of terror. The designation triggers cascading bans on arms transfers, U.S. foreign assistance, and export controls for dual-use items.

- **1987:** President Ronald Reagan signs EO 12613, which bars the importation of Iranian oil into the United States.
- **1992:** The Iran-Iraq Arms Nonproliferation Act and Iraq Sanctions Act is passed, which imposes sanctions on foreign entities that supply Iran with weapons of mass destruction technology or “destabilizing numbers” of conventional weapons.
- **1995:** President Bill Clinton signs EO 12957, which bans U.S. investment in Iran’s energy sector, and EO 12959, which bans U.S. trade with and investment in Iran.
- **1996:** The U.S. Congress passes the Iran and Libya Sanctions Act (ILSA) which imposes economic sanctions on firms conducting business with Iran or Libya.
- **2000:** The U.S. Congress passes the Iran–North Korea–Syria Nonproliferation Act, which sanctions foreign persons that are determined to have assisted Iran’s weapons of mass destruction program.
- **2001:** The ILSA is renewed. President George W. Bush signs EO 13224, which freezes assets of and bans U.S. transactions with entities determined by the administration to be supporting international terrorism. The EO originally targeted al-Qaeda but has since been applied to Iran.
- **2006:** The UN Security Council passes Resolutions 1696 (2006) and 1737 (2006), the former demanding a halt to Iran’s nuclear program, the latter blocking the import and export of sensitive nuclear material and freezing the financial assets of persons or entities supporting Iranian nuclear proliferation. China votes in favor of both.

- **2006:** The ILSA is renewed and renamed the Iran Sanctions Act.
- **2007:** The UN Security Council passes Resolution 1747 (2007), which expands previous sanctions. China votes in favor.
- **2007:** President Bush signs EO 13438 to block the U.S.-based property of persons who are determined by the administration to have committed or pose a risk of committing acts of violence that threaten the peace and stability of Iraq. Islamic Revolutionary Guard Corps–Qods Force officers are sanctioned.
- **2008:** The UN Security Council passes Resolutions 1803 (2008) and 1835 (2008), which again call on Iran to cease and desist its uranium enrichment. China votes in favor of both.
- **2010:** The UN Security Council passes Resolution 1929 (2010), which authorizes member states to sanction civilian sectors of Iran’s economy as well as further arms sanctions. China votes in favor.
- **2010:** CISADA is passed, which expands Iran Sanctions Act sanctions on Iran’s energy sector.
- **2011:** The UN Security Council passes Resolution 1984 (2011), which extends the mandate for the panel of experts that supports the Iran Sanctions Committee for one year. China votes in favor.
- **2011:** President Barack Obama signs EO 13572, which blocks the U.S.-based property of persons determined to be responsible for human rights abuses in Syria. The Qods Force and its commanders are sanctioned. EO 13382 and 13224 are applied to sanction Iranian airlines. The National Defense Authorization Act (NDAA) for fiscal year 2012 includes provisions sanctioning Iran’s central bank.
- **2012:** The UN Security Council passes Resolution 2049 (2012), which extends the mandate for the panel of experts that supports the Iran Sanctions Committee for one year. China votes in favor.

- **2012:** The European Union bans imports of Iranian oil and gas, freezes the assets of Iranian shipping firms, bans the trade of precious metals, freezes the assets of Iran's central bank, bans technology exports, issues an embargo on arms sales to Iran, and establishes an entry ban on persons designated for human rights abuses or terrorism. The Brussels-based SWIFT electronic payments system accedes to a request to expel 14 Iranian banks sanctioned by the European Union.
- **2012:** The Iran Threat Reduction and Syria Human Rights Act of 2012 is passed, which expands the extraterritorial authority of CISADA. It authorizes but does not mandate sanctions against SWIFT. President Obama signs EO 13599 and 13608, which freezes Iran-owned assets and authorizes the sanctioning of foreign persons who help Iran evade U.S. and multilateral sanctions. The NDAA for fiscal year 2013 includes based property of any entity that provides support to any Iranian entity deemed a "specially designated national" (SDN).
- **2013:** President Obama signs EO 13645 and 13846, which sanction banks conducting transactions in Iran's currency, the rial, and any firm's involvement in the Iranian automotive sector.
- **2015:** The UN Security Council passes Resolution 2231 (2015), which endorses the JCPOA and requires Security Council approval for any arms imports or exports for a maximum of five years until October 18, 2020. China votes in favor.
- **2016:** The United States waives most secondary sanctions on Iran in accordance with the JCPOA, but most sanctions on direct U.S.-Iran trade remain.
- **2017:** The Countering America's Adversaries through Sanctions Act mandates the imposition of EO 13324 penalties on the Islamic Revolutionary Guard Corps and its officials, agents, and affiliates. The



U.S. Treasury Department designates the Corps as a terrorism-supporting entity under EO 13324.

- **2018:** SWIFT disconnects from Iranian banks that are “relisted” for U.S. sanctions.
- **2018:** The United States resumes sanctions on petroleum-related transactions and foreign banks with Iran’s central banks, and all SDNs previously given relief under the JCPOA are relisted. The Hezbollah International Financing Prevention Amendments Act of 2018 is passed. It expands on the Hezbollah International Financing Prevention Act by authorizing the block of U.S.-based property of any entity of a foreign state that supports Hezbollah.
- **2019:** Germany, France, and the United Kingdom create a special purpose vehicle that facilitates trade with Iran by avoiding dollar-denominated transactions or other exposure to the U.S. market. It is named the Instrument for Supporting Trade Exchanges.
- **2019:** President Donald Trump signs EO 13876 which sanctions Supreme Leader Ali Khamanei, Foreign Minister Javad Zarif, and other associates. In May, President Trump terminates SRE waivers allowing foreign countries to purchase Iranian oil. President Trump signs EO 13871, sanctioning transactions involving Iran’s minerals and industrial commodities.
- **2020:** The UN Security Council vote to extend the conventional arms embargo on Iran fails. The United States and the Dominican Republic vote in favor, China and Russia vote against, and the remaining 11 states abstain.
- **2020:** President Trump signs EO 13902, which expands sanctions on the construction, mining, manufacturing, and textiles sectors.

China has played a role in Iranian nuclear development and the surrounding international dialogue since the Islamic Republic seriously began pursuing its nuclear ambitions. In 1990, China became the second country to sign a long-term nuclear cooperation agreement with Iran following Pakistan, which signed in 1987. However, under American pressure, China limited its collaboration with Iran on nuclear technology, withholding a promised research reactor that could produce plutonium, two Qinshan power reactors, and a uranium conversion plant.<sup>445</sup>

Conversely, China attempted to delay American efforts to curtail Iran. In 2005, when Iran abandoned all pretense of complying with international nonproliferation norms, China insisted that the IAEA remained the appropriate venue for the issue rather than the UN Security Council. China voiced support for Iranian peaceful use of nuclear energy with IAEA cooperation until 2007.<sup>446</sup> This tracks with China's attitude that Western scrutiny of Iran's nuclear program is discriminatory and that international law is the standard to which Iran should be held instead of American whims.<sup>447</sup> When the UN Security Council approved Resolution 1696 in 2006, which demanded that Iran suspend uranium enrichment, China initially collaborated with Russia to oppose Article 7 in the resolution. Their concern was that sanctions could lead to tensions, saying "The Chinese side feels that there has already been enough turmoil in the Middle East." However, China complied with increasing sanctions on Iran beginning with Resolution 1737 along with the other members of the P5+1, but it historically insisted upon leveling modest sanctions only.<sup>448</sup> Most recently, China is one of the signatories of the JCPOA and helped shape the technical aspects of the agreement, such as limiting the capacity of Iran's heavy water reactors to produce plutonium. China met the news of the U.S. withdrawal with dismay and has since lumped the move in with its general complaints about U.S. conduct in the international arena.

As China becomes a major international power, its interest in nuclear technology increasingly aligns with the international community: peace and stability that

supports China's new global interests. Its interests in supporting international regimes and norms, such as nuclear nonproliferation, also will commensurately increase.<sup>449</sup> This shift further contributes to its goal of international prestige as one of the legitimate nuclear powers of the world.<sup>450</sup> China does not want Iran to develop nuclear weapons because it contradicts Chinese objectives for a nuclear-free Arabian Peninsula.<sup>451</sup> A nuclear Iran will create threat perceptions among its neighbors, especially Saudi Arabia, and lead to counter-measures that destabilize the region.<sup>452</sup>

The Kingdom has never been shy about decrying Iranian nuclear development and calling for international repercussions. Cables from American diplomats have often described Saudi officials, including King Abdullah, urging the United States to attack Iran to halt its nuclear program.<sup>453</sup> Rivalry balancing, and therefore regional balancing, is at the heart of China's concerns with nuclear Iran. This situation explains much of Chinese Middle Eastern nuclear policy, with the added benefit of not jeopardizing the U.S. security umbrella in the Middle East on which China relies.

In terms of China's global nuclear priorities, however, Iran takes a backseat compared to China's immediate northeastern neighbor, North Korea. North Korea's nuclear program presents a much more immediate threat and is a local issue of regional security.<sup>454</sup> Chinese scholars lately have devoted much more time and energy to untangling the North Korean problem than revisiting the issue of Iran after the crumble of the JCPOA.

Another aspect of China's nuclear policy is commercial ambition. In a 2019 speech, a Chinese official said China has two calling cards for exported technology: high-speed trains and nuclear reactors for energy. This is partially responsible for China's stance that Iran should be allowed to develop its civilian nuclear capability in accordance with international law, because that represents a lucrative opportunity for China.<sup>455</sup> Whether that scheme will come to fruition is another matter entirely given the strained nature of Chinese-Iranian commerce and Iran's own economic problems, which have only increased in magnitude and

urgency during the COVID-19 crisis. China's 2016 Arab Policy Paper addresses this potential for cooperation:

We will strengthen China-Arab cooperation on the design and construction of nuclear power plants and nuclear technology training. We will be actively engaged in cooperation covering the whole nuclear industrial chain, and promote cooperation between the two sides in basic scientific research, nuclear fuels, research reactors, application of nuclear technologies, nuclear security, disposal of radioactive wastes, emergency responses, and nuclear safety. We will accelerate the joint efforts of building an Arab training center for the peaceful use of nuclear energy, and upgrade the level of cooperation in the nuclear field.<sup>456</sup>

It is in this arena where Saudi Arabia has nominated itself as a candidate for business. Given its independence from sanctions, the Kingdom is certainly a more promising customer. In 2012, Saudi Arabia and China signed a memorandum of understanding for nuclear cooperation. Saudi Arabia has similar agreements with the United States, France, Russia, and others.

A particular area of focus for nuclear energy cooperation is the ability to power desalination plants.<sup>457</sup> With the Kingdom's extreme climate, desalinated water comprises about half of the fresh water utilized in Saudi Arabia. The country is a leader in desalination, producing about one-fifth of the world's desalinated water.<sup>458</sup> However, the desalination plants belch smoke at all hours of the day, creating a permanent fixture in the skyline of major cities like Jeddah. The process has high financial and energy costs. Agreements have been signed with China National Nuclear Corp. for exploration of uranium deposits and with China Nuclear Engineering Group Corp.<sup>459</sup> China has submitted a bid to build Saudi Arabia's first nuclear plant, along with the United States.<sup>460</sup> As of the time of this writing, there is no word on whether the Kingdom will take up China's offer, as Saudi Arabia has delayed issuing tenders for these projects several times.<sup>461</sup>

The Saudi pivot to China allegedly is the result of U.S. reticence to support the Kingdom's nuclear development if it will not sign onto IAEA protocols.<sup>462</sup> China may be an attractive partner for nuclear collaboration compared to Russia by virtue of the fact that Russia has been heavily involved in Iran's nuclear program. The potential insecurity for their own program through that backdoor is not appealing, especially since energy infrastructure is a ripe target for attacks.<sup>463</sup>

In 2020, the news broke that U.S. intelligence agencies were scrutinizing Chinese cooperation with the Kingdom's nuclear program. According to intelligence reports, the two powers began collaborating on two different projects—extracting uranium yellowcake from uranium ore and building industrial capacity to produce nuclear fuel. Both processes could set the Saudis on the path to creating nuclear weapons.<sup>464</sup> The evidence of the nuclear fuel development is allegedly a newly completed structure near a solar-panel production area near Riyadh, which could be one of a number of undeclared nuclear sites.<sup>465</sup> The yellowcake site is allegedly in Ula in the northwest, far from Iran, though the Saudi energy ministry has denied that the uranium harvesting facility is under construction.<sup>466</sup> If such a facility exists, its placement far from Riyadh mirrors the other clandestine Chinese security installation in the Kingdom, the missile base in al-Sulayyil.

Even if both developments are accurate, however, Saudi Arabia is still a long way from acquiring nuclear weapons. Reporting on China and the Middle East often relies on rhetoric more than material commitments. Early reporting on China's involvement in the Saudi nuclear program should be considered carefully and watched with patience. The U.S. backlash from the missile sale is alive and well in both parties' memories.

If accurate, these reports of Sino-Saudi nuclear cooperation raise the question: what about China's goal of a nuclear-free Persian Gulf? A stable, nuclear-free region is the main cause of China's participation in the JCPOA. Chinese involve-

ment in Saudi civilian nuclear development certainly aligns with the Chinese stance that it can and should pursue the international nuclear industry and any criticism of this enterprise is discriminatory. This attitude defines its approach to Iran.



*Satellite image of the suspected site of an undisclosed Saudi nuclear facility<sup>467</sup>*

There is no hard evidence to suggest that Saudi Arabia is violating any of its international nuclear agreements. The Kingdom thus far is only making its traditional partners nervous by collaborating with China, which is not a new approach. Moreover, Chinese involvement in Saudi nuclear development is compliant with the maxim of treating hard security issues between Saudi Arabia and Iran with an even hand. Although China has voted for most of the UN sanctions on Iran, it often has postured on behalf of Iran in the international arena. Saudi Arabia, with its increasing interest in nuclear power, will expect support as well, particularly given the strength of the bilateral relationship in other realms like energy. Furthermore, as Saudi Arabia is years from developing any kind of nuclear weaponry and lacks the technological foundation to do so, China can engage in virtue-signaling without changing the calculus in the region. The PRC can support its aspiring international industry of nuclear power along the way.

Iran's nuclear ambitions are a foundational part of its dogged anti-Western stance, and have compromised its main avenues for engaging with the international community and put it at odds with Saudi Arabia. Logically, Iranian alignment with China on shared nuclear rhetoric is a natural alternative. It is true that China plays that advantage with Iran often and well.<sup>468</sup> China views American ambitions to topple the Iranian theocracy as akin to the West's discrimination against the PRC because of its own political system.<sup>469</sup> In its nuclear defiance, Iran presents the break in American hegemony in the Middle East that China purportedly wants. While China pays plenty of lip service to criticizing Western hegemony, it does not want anti-Western fervor to take hold in Iran and the Middle East. Such a movement could give rise to extreme nationalism or Islamism that is contrary to China's interests. Additionally, China still relies upon the United States to be the region's security guarantor.<sup>470</sup>

Just as much as the recent American withdrawal from the JCPOA under President Trump delighted Saudi Arabia, it alarmed China. The PRC viewed the move with grave concern. China views the United States as violating international law by backing out of the deal. The PRC has named the withdrawal as continued Western discrimination, considering Iran's previous compliance.<sup>471</sup> Chinese officials have added the American JCPOA withdrawal to their toolbox of increasing complaints about the United States in the international arena. When the United States attempted to extend the UN Security Council arms embargo, the Chinese mission to the UN retorted: "The result shows again that unilateralism enjoys no support, and bullying will fail. Any attempt to place one's own interest above the common interest of the international community is a dead end."<sup>472</sup>

China has pushed through diplomatic efforts to preserve the deal multilaterally. It even attempted to encourage the United States to remain in the deal before U.S.-China tensions soured. It is unclear exactly how successful China's other multilateral efforts will be and whether the JCPOA will survive at all. The election of President Biden and a U.S. return to multilateralism provides some



grounds for optimism. Early in the days after the withdrawal, Chinese officials had strategized that by continuing trade with Iran in this climate of tension, Iran would still receive some economic relief because it had been compliant with the JCPOA. In this strategy, Iran would not walk away immediately in response to the U.S. withdrawal.<sup>473</sup>



*Chinese Foreign Minister Wang Yi during a conference of foreign ministers on the Iranian nuclear issue.<sup>474</sup>*

Chinese officials promised they would step up their commitment to Iran in the interim. A ceremony was held to inaugurate an Inner Mongolia to Tehran railroad years after its construction actually began. Chinese Foreign Minister Wang Yi visited his counterpart Javad Zarif to talk about the preservation of the deal. China invited then-President Hasan Rouhani to that year's Shanghai Cooperation Organization summit.<sup>475</sup> However, China is drawing back from economic cooperation with Iran and turning to other nations that will not bring such material and reputational costs.<sup>476</sup> This has played out in Saudi Arabia's favor. While China is trying to keep the JCPOA alive, it will not move into a position of unilateral leadership in talks with nuclear Iran. China has several vested

interests in regional stability in Iran and nuclear nonproliferation, but it simply is not a proximate issue of regional security.<sup>477</sup> In addition to the issue of priority-ordering, the emergence of China as a unilateral leader on Iran would not keep Saudi Arabia a happy, engaged partner. The current status of Iran and the JCPOA is more of a liability to Chinese companies navigating sanctions and the geopolitical realities of the Middle East than it is an opportunity for China to flex its global leadership capabilities.<sup>478</sup>



## Conclusion

When it comes to the rivalry in the Persian Gulf, China has been successful in its timing. Sometimes this success is unintentional. From the beginning, the PRC was never forced to draw hard lines between Saudi Arabia and Iran because its Middle East policies in 1979 were relatively contained, even in the context of today's limited approach. Additionally, the nature of the rivalry lent itself well to the Chinese approach. The historical relationship between the Kingdom and the Islamic Republic is more nuanced than presented in most analyses, with shared interests and domestic audience shifts producing periods of détente. The factors combine to set the stage for an evenhanded approach that is facilitated by synchronized timing, as evidenced by the ascension of each relationship to the CSP level in 2016 or the joint drills of 2019.

Trade and investment are the *raison d'être* for China in the Middle East. China's credibility in the Saudi-Iranian rivalry rests on the perception that it deals with each nation in a transactional way. China can rely on mythologized Silk Roads history to rhetorically wrap both nations in its westward reach. So far, this strategy seems to have worked. U.S. officials hear far more complaints from Saudi representatives about European trade with Iran than Chinese trade with Iran.<sup>479</sup> No Saudi official has publicly denounced Chinese trade with Iran. The same is true of Iranian officials.

That does not mean there is no anxiety from either power about Chinese trade. Many of the economic provisions in the Draft CSP between China and Iran reflect deep fears that Iran is being left behind compared to its partners in the region, especially Saudi Arabia. There is a gap between perception and reality when the data and deals are pulled apart. Chinese companies have advanced

further with Saudi counterparts than with Iranian ones. Infrastructure in Saudi Arabia, while it has hit significant snags, has not been routinely halted by what Iranian officials call Chinese “foot-dragging.” Chinese companies have not been forcibly kicked out of contracts in Saudi Arabia. China imports far more oil from Saudi Arabia, whereas Iran is on the decline, and China is forced to adopt deception out at sea with tanker switches. Admittedly, the image of perfect Sino-Saudi cooperation in the energy industry is buttressed by corporate and state propaganda. Meanwhile, Chinese companies felt jilted in Iran in post-JCPOA period when other companies reentered the market. Chinese SOEs have kept their primary role as a backup when international energy conglomerates exit projects because of sanctions. In Saudi Arabia, telecommunications companies have found a government willing and eager to contract their services and break regional records. Iran, however, brought enormous reputational damage to one of China’s international brands and became a keystone in the U.S.-China trade war.

When it comes to the security sector, China is even more restrained in its outreach to both countries due to the realities of the Persian Gulf theater. The Saudi-Iranian rivalry is a case study in why it does want to be a security guarantor in the Middle East, let alone a serious player. In the Chinese defense philosophy, military-to-military diplomacy and arms sales are treated not as a method of strengthening partner countries’ capabilities but rather as a way to support overall diplomatic ties. However, there is more international pressure exerted on Chinese security cooperation with Iran than its security cooperation with Saudi Arabia. Although China is proportionally dominant in Iranian arms imports, multilateral sanctions that the PRC voted for on the UN Security Council have stemmed the flow of Chinese weaponry. China is only an alternative to the United States in arms sales with Saudi Arabia, their few transactions built the foundation of Sino-Saudi ties in the 1980s and reflect the regard China has with the Kingdom in the arms market. Saudi Arabia is a recipient of joint weapons manufacturing deals, a significant development in that industrial relationship. China has conducted joint drills with both countries, held under uncontroversial

pretexts like antipiracy, an area where the PLAN has both interests and experience. Drills with Iran have taken on more role in signaling the international community. This is indicated by the exaggerated tone of Iranian statements compared to matter-of-fact Chinese ones. The PLAN is careful to contain drills with Saudi and Iranian partners in different waters, one to the west in the Red Sea and the other to the east in the Gulf of Oman and Strait of Hormuz. In Iran's pursuit of a nuclear weapon, a key grievance of the Saudi-Iranian rivalry, China has acted as a negotiator and technical adviser in alignment with its goals for international leadership and stability in the Persian Gulf.

Each bilateral partnership serves a different purpose for China. Saudi Arabia is a partner for energy, has clout in the Muslim world as the custodian of Mecca and Medina, grants China credibility in much of the Middle East with its regional influence, and is not subject to unpredictable sanctions regimes. Iran is a partner for energy to some degree, a fellow civilization wronged by Western imperialism, a market with enormous potential when sanctions are lifted, a place to demonstrate international leadership, a lever by which to exert pressure on the United States, and a source of credibility in much of the Middle East with its regional influence. These different utilities from each relationship account for much of Chinese policy each along with the consideration of tensions across the Gulf. With all these facets in mind, China has an interest in stable relations between Saudi Arabia and Iran. However, it is unlikely to take a significant role in facilitating regional relations beyond closed-door meetings or multilateral efforts. Such activity is not in step with broader Chinese policy in the Middle East and is beyond the scope of its current bilateral relationship with each state.

China is unlikely to abandon its policy of balancing among partners in the foreseeable future. That would require a tectonic shift in its approach to the Middle East and the political and security realities of the region. It is possible that China may one day have to choose between partners if regional tensions escalate to a hypothetical level not yet seen in the Saudi-Iranian rivalry. However, this is an extreme eventuality.

Owing to the different utilities and limitations offered by each partner and the transactional nature of relations, China has already made some material choices that have yielded more benefits for Saudi Arabia than Iran. Should Iran be allowed to return to the normative realm of international relations after a fresh round of nuclear talks, that difference could be ameliorated, similar to the hope for Chinese companies in the Iranian market after the JCPOA in 2016. But for now, China will continue to hold the course of its balancing policy and attempt to bridge the gulf of regional and international tensions.

## Implications for the United States

*There are certain categories of cooperation with the PRC that we cannot live with, and we have made that clear.*

—Mira Resnick, U.S. Deputy Assistant Secretary of State, Senate Foreign Relations Subcommittee Hearing on Security Assistance in the Middle East, 2021<sup>480</sup>

As is evident in this body of work, Washington has an enduring presence in the strategies deployed by Beijing, Riyadh, and Tehran. While each successive U.S. administration for the last 20 years has considered the reevaluation of the American presence in the Middle East a high priority and popular talking point, the United States will remain an external security guarantor for some time.

The United States plays an enormous role in these countries' foreign and economic policies. While Saudi Arabia and the United States are not in lockstep by any means and are not even technically allies, the partnership remains significant for both nations.<sup>481</sup> Iran and the United States are locked into opposing positions as the U.S. levels devastating sanctions and Iran continues to remain an American national security priority.<sup>482</sup> Perhaps the most consequential bilateral relationship on the international stage at present is the one between China and the United States as both policymakers and analysts dust off the phrase "great power competition" and declare a new Cold War.<sup>483</sup>



Yet the Middle East is only one arena where the U.S.-China relationship plays out. Sino-American tensions over the South China Sea, Taiwan, or global trade policy are of a greater magnitude. For China, the stakes in the Middle East are not high enough to merit going toe-to-toe with the United States. It will almost always prioritize placating the United States in the Middle East. Historically, the United States has been successful when applying intense pressure to China on its activities in the Middle East. China will, however, pursue relationships and projects that put the United States on edge, exacerbated by increasing Sino-American competition. Iran often is a place where China can exert pressure on the United States, both through economic and security outreach. Nonetheless, it will not pull that lever entirely—it does not want to provoke the United States into a direct conflict in the Middle East and has no interest in risking its partnership with Saudi Arabia. This alignment of Saudi and American security interests in the Persian Gulf is a powerful dampener on the Chinese-Iranian bilateral relationship.

When it comes to the Chinese-Saudi bilateral relationship, China is primarily an alternative to the United States. So far, the threat of China remains limited leverage. As of writing, the United States still refuses to sell surface-to-surface missiles to Saudi Arabia. Considering this was the most significant instance of substituting China and its CSS-2 missiles in the place of the United States, merely being an alternative is not a compelling incentive. China may have made inroads in arms sales to the Kingdom, but U.S. sales overshadow contemporary increases in purchases. Saudi customers still prefer American arms. Looking to the future, if U.S.-China tensions continue to rise, then Saudi Arabia will be able to use a partnership with China as a more powerful tool in talks with the United States.

Turning to Iran, the main issue before the Biden administration is the return to a nuclear deal. It is in China's interests for the JCPOA or a similar framework to resume. Not only was it a hallmark moment in Chinese regional and interna-

tional leadership, but it also preserved a nuclear-free and more stable Persian Gulf. The JPCOA offered the lift of sanctions, a major deterrent for Chinese trade and investment with Iran. The resumption of U.S. unilateral sanctions has only complicated Chinese companies' outreach to the Islamic Republic. This is an issue where American, Chinese, and Iranian interests are aligned. A multilateral solution that brings Iran in from the cold and opens it to stability and trade is in the best interests of all involved. Saudi criticism of the Iran nuclear deal is a price that China is willing to pay to achieve these objectives. The PRC already made that bet in 2016 with the original deal.

In the private sector, the United States faces a trickier footing in competing with China. Because of the limitations on American enterprises in Iran, the main arena for this competition will be Saudi Arabia. In the energy sector, the United States has the advantage. China is a critical customer of crude, but its oil companies have some catching up to do with American ones. Not only do American-owned IOCs have decades of experience cooperating with Saudi Aramco, but they are also deeply involved in downstream profits for the company. The United States has the most cutting-edge technology and technical experts in the field. But in other realms like infrastructure and telecommunications, China, as in the rest of the world, is making serious inroads. The United States has already identified these areas as high priority when it comes to competition with China globally.

In the Saudi-Iranian rivalry, China and the United States operate in different realities. Many decades of policy decisions have left the United States incapable of the kind of flexibility that China exhibits between the two Persian Gulf powers. That versatility could develop into a formidable tool for China in the region, one that extends beyond Saudi Arabia and Iran to Israel and Palestine, Syria and its neighbors, or any of the other opposing factions in the Middle East. Whether its policy of balance will endure for the next few decades will not only determine China's foothold in the region but also shape American partnerships as well.

**The author, therefore, offers the following policy recommendations to the United States:**

1. Pursue multilateral nuclear talks with Iran as expeditiously as possible.
2. Recognize the changing nature of China as Saudi leverage over the United States.
3. Exercise caution when framing the Chinese presence in the Middle East as “great power competition.”
4. Institutionalize tracking Chinese interests and activities in the Middle East with formalized positions and an interagency working group.

**1. Pursue multilateral nuclear talks with Iran as expeditiously as possible.**

The United States continues to treat Iran as a pariah state after the former’s withdrawal from the JCPOA. This policy grants China unique partnership opportunities with Iran. The partnership is by no means strong or exceptionally functional, but it provides the PRC a tool by which to exert pressure on the United States. Returning to negotiations will alleviate some of the pressure on the United States. Depriving China of this tool will be necessary as U.S.-China tensions worsen and the arena of the Middle East gains more attention. In the context of this study, pursuing engagement with Iran will diminish China’s status as the only flexible partner in the region. Moreover, it is in the interests of both China and Iran to return to nuclear negotiations and a JCPOA-adjacent solution.

**2. Recognize the changing nature of China as Saudi leverage over the United States.**

China’s primary historical role in the U.S.-Saudi bilateral relationship has been as an alternative. China has been accelerating its efforts in this area, aided by the political consideration that the Chinese government and people do not regularly denounce partnership with Saudi Arabia, a frequent sore point in U.S.-Saudi relations. However, the PRC is not at the stage in its partnership with the Kingdom where it can seriously replace the United States, nor does it seek that objective. In arms sales and security, the

United States is still by far the primary partner. The most significant break in that tradition is the Saudi missile-production site that has Chinese technology, according to assessments from the U.S. intelligence community and public analysts. Buttressed by domestic political willpower to create its own weapons industry, Saudi Arabia may have given up on the hope of purchasing U.S. missiles. If this is the case, China has stepped in to fill the technological gap, a move of unprecedented momentum for its defense technology transfer with Saudi Arabia that bears further investigation. Meanwhile, Chinese companies are making serious inroads in the private sector, which also bear monitoring. This particularly extends to telecommunications and 5G, which is already an American priority globally. If the United States and its diplomatic and corporate representatives have a complex relationship with the Kingdom, the same is doubly true for China. The comparative length of the U.S.-Saudi partnership will serve as an advantage for American efforts. But if the United States cannot offer better prices and vendors or fewer strings attached, that might not be enough.

- 3. Exercise caution when framing Chinese presence in the Middle East as a “great power competition.”** Great power competition is a loaded phrase in policy discourse. To some extent, great powers are always in competition in the international system. The return of this expression in U.S. foreign policy discourse regarding China, however accurate in some respects, offers a tempting ramp to escalating tensions. This is keenly felt in the Middle East, where the United States has expended many resources ranging from regional credibility, a great deal of the treasury, and the significant loss of life among its own service members and the people of the region. Beijing’s growing involvement in this arena undoubtedly sets off alarm bells in Washington. However, escalating tensions with China in the Middle East is a dangerous game. The Middle East is not a high priority for Beijing but it can raise tensions there relatively easily. It will be tricky to seriously pursue great power competition with China in the Middle East. The region should be treated as an auxiliary to the global phenomenon playing out, not a cause in itself. Should U.S.-China

tensions worsen, then it will be even more important to watch what happens in the Middle East. As it stands now, tensions between these nations are set to deteriorate before they improve, making caution of the utmost importance. The direct, hot conflict between China and the United States in the Middle East is extremely unlikely and should remain so.

**4. Institutionalize tracking Chinese interests and activities in the Middle East with an interagency working group.**

While remaining cautious of great power competition framing, it is vital to understand Chinese priorities in the Middle East. Beyond considering what American policies do to Saudi Arabia and Iran, the United States needs to consider what its policies do for China. The U.S. government has long discussed a pivot from a focus on the Middle East, but only the competing presence of China has begun that process in earnest. This process has played out in real time with the creation of new institutions like the U.S. Central Intelligence Agency's new mission center to counter China.<sup>484</sup> The offices that cover Middle East portfolios are well-equipped to be an active part of this transition. Many U.S. officials already focus on Chinese foreign policy in the Middle East as part of their regular portfolios, but this sensibility should be institutionalized and made government-wide. Each department should have a formal Middle East–China watcher in Washington and in Middle East regional offices. The Biden administration should create a National Security Council-led interagency working group to track Chinese policy in the Middle East. This group should include the designated Middle East–China watchers and have representation from the Department of State, the Department of Defense, the intelligence community, the Department of the Treasury, the Department of Commerce, and the Department of Energy. Representatives can be offered further training to enhance their participation in the working group, such as language training in Mandarin Chinese or courses in Chinese politics. As should be clear from this body of work, Chinese policy in the Middle East touches many sectors important to the United States. Focused attention and interagency communication will shape a comprehensive, informed U.S. approach in the region.

## Acknowledgments

I would like to thank the Wilson Center and the Kissinger Institute for providing the opportunity to craft and pursue the research that I am passionate about. I am grateful for Kissinger Institute Director Robert Daly both for his diversity of expertise and his firm encouragement throughout my fellowship. I would like to thank my Kissinger Institute colleagues Bradley Jardine, Rui Zhong, Darren Touch, and Conor McGlynn for their insights and camaraderie during a challenging period for researchers around the world. I would like to express tremendous gratitude to my research assistant Yang Cao, a steadfast ally and an eager Arabic student. I am thankful for the support of the Wilson Center's Middle East Program with gratitude for director Merissa Khurma and program associate Alexander Farley. I am indebted to the stellar community of experts on China and the Middle East that I am lucky to count as colleagues. Finally, I would like to thank my family and friends for their belief in my work.



## Author Bio

Lucille Greer is a Foreign Affairs Specialist in the Office of the Deputy Assistant Secretary of Defense for Middle East. She completed this research as a Schwarzman Fellow at the Wilson Center in Washington, D.C., with the Kissinger Institute on China and the United States. Greer has conducted policy research in both the Middle East and China in English and Arabic. Her work has been published with the Middle East Institute, the Modern War Institute at West Point, the Wilson Center's Middle East Program, the Atlantic Council, the Uyghur Human Rights Project, the *Washington Post*, and *The Diplomat*. She has served with the U.S. Department of State in both Washington, D.C., and Jeddah, Saudi Arabia. Greer has a master's degree in global affairs from Tsinghua University in Beijing, China, and a dual bachelor's degree in political science and Middle Eastern studies from the University of Tennessee. All views and opinions are her own and do not necessarily reflect the views of the Department of Defense.



## Endnotes

- 1 <https://www.shutterstock.com/image-vector/saudi-arabia-political-map-capital-riyadh-348664877>
- 2 <https://www.shutterstock.com/image-vector/iran-political-map-capital-tehran-national-216371362>
- 3 <https://www.shutterstock.com/image-vector/china-political-map-capital-beijing-national-303543287>
- 4 “Saudi Oil Attacks: Drones and Missiles Launched from Iran – US,” BBC News, September 17, 2019, <https://www.bbc.com/news/world-middle-east-49733558>.
- 5 David Reid, “Saudi Aramco Reveals Attack Damage at Oil Production Plants,” CNBC, September 21, 2019, <https://www.cnbc.com/2019/09/20/oil-drone-attack-damage-revealed-at-saudi-aramco-facility.html>.
- 6 <https://www.apimages.com/metadata/Index/Persian-Gulf-Tensions/da5b1e9a6bc24ce789b6aad05572d228/34/0>
- 7 Simon Henderson, “Al-Qaeda Attack on Abqaiq: The Vulnerability of Saudi Oil,” Washington Institute for Near East Policy, February 28, 2006, <https://www.washingtoninstitute.org/policy-analysis/al-qaeda-attack-abqaiq-vulnerability-saudi-oil>.
- 8 Edith M. Lederer, “UK, France Germany Blame Iran for Saudi Oil Attacks,” Associated Press, September 24, 2019, <https://apnews.com/article/persian-gulf-tensions-france-iran-saudi-arabia-united-nations-ee973164333e44f4b94ea590590f4ed2>.
- 9 “Foreign Ministry Spokesperson Hua Chunying’s Regular Press Conference on September 16, 2019,” Foreign Ministry of the People’s Republic of China, September 16, 2019, [https://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/2511\\_665403/t1698134.shtml](https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1698134.shtml).
- 10 Yang Tao, “Saudi Arabia Joint Naval Training ‘BLUE SWORD 2019’ Kicks Off,” China Military, November 29, 2019, [http://eng.chinamil.com.cn/view/2019-11/20/content\\_9679466.htm](http://eng.chinamil.com.cn/view/2019-11/20/content_9679466.htm).
- 11 Syed Fazl-e Haider, “The Strategic Implications of Chinese-Iranian-Russian Naval Drills in the Indian Ocean,” Jamestown Foundation, January 17, 2020, <https://jamestown.org/program/the-strategic-implications-of-chinese-iranian-russian-naval-drills-in-the-indian-ocean/>.
- 12 <https://en.mehrnews.com/news/153807/VIDEO-Iran-Russia-China-military-drill-sends-message-to-world>
- 13 <https://www.youtube.com/watch?v=8i6KHoa6hAU&list=PL90RJC0Th6mFc-htN1mi26m5G5Xg2wk2Y&index=3>
- 14 Jonathan Fulton, “Friends with Benefits: China’s Partnership Diplomacy in the Gulf,” POMEPS Studies 34: *Shifting Global Politics and the Middle East*, Project on Middle East Political Science (Washington, DC: Institute for Middle East Studies, George Washington University, 2019), 33–39.
- 15 Interview, anonymous U.S. official by Lucille Greer, August 15, 2020.
- 16 امير عبداللہيان H.Amirabdollahian. “My Honor to Be Confirmed by the Parliament to Represent the Great Nation of #Iran in the Arena of Foreign Policy & Int’l Relations. Determined to Follow Balanced, Active, & Smart Diplomacy Based on Principles of Dignity, Wisdom, & Prudence. Neighbors & Asia #1 Priority. PIC.TWITTER. COM/VMABCZLPG4.” Twitter, August 25, 2021. <https://twitter.com/Amirabdollahian/status/1430591313334964232?s=20>.
- 17 [https://www.fmprc.gov.cn/eng/topics\\_665678/2016zt/xjpdstajlyjxgfw/201601/t20160121\\_704459.html](https://www.fmprc.gov.cn/eng/topics_665678/2016zt/xjpdstajlyjxgfw/201601/t20160121_704459.html).
- 18 <https://america.cgtn.com/2016/01/23/chinese-president-meets-irans-supreme-leader-khamenei>.
- 19 Other scholars to read on China in the Middle East include Jonathan Fulton, Mohammed al-Sudairi, Wu Bingbing, John Calabrese, Degang Sun, Li-Chen Sim, Jacopo Scita, Esfandyar Batmanghelidj, Bill Figueroa, Camille Lons, Andrea Ghiselli, Guy Burton, Wang Suolao, John Garver, Mordechai Chaziza, Yitzhak Shichor, Anoushiravan Ehteshami, Naser Al-Tamimi, and Roie Yellinek.

- 20 “China’s Arab Policy Paper,” Foreign Ministry of the People’s Republic of China, January 13, 2016, [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1331683.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1331683.shtml).
- 21 Mifrah Haq, “China Builds Digital Silk Road in Pakistan to Africa and Europe,” Nikkei Asia, January 29, 2021, <https://asia.nikkei.com/Spotlight/Belt-and-Road/China-builds-Digital-Silk-Road-in-Pakistan-to-Africa-and-Europe>.
- 22 “China’s Arab Policy Paper.”
- 23 Jon B. Alterman and John W. Garver, *The Vital Triangle: China, the United States, and the Middle East* (Washington, DC: CSIS Press, 2009), 13.
- 24 Rachel Tang, “The Rise of China’s Auto Industry and Its Impact on the U.S. Motor Vehicle Industry,” R40294, Congressional Research Service, November 16, 2009, <https://sgp.fas.org/crs/row/R40924.pdf>.
- 25 Jonathan Fulton, *China’s Relations with the Gulf Monarchies* (London: Routledge, 2019), 36.
- 26 *OPEC Annual Statistical Bulletin 2018*, OPEC (Organization of the Petroleum Exporting Countries), 2018, [https://www.opec.org/opec\\_web/static\\_files\\_project/media/downloads/publications/ASB%202018.pdf](https://www.opec.org/opec_web/static_files_project/media/downloads/publications/ASB%202018.pdf).
- 27 Fulton, *China’s Relations with the Gulf Monarchies*, 36.
- 28 For further discussion on the history of Saudi Aramco and its role in the global oil market, see Ellen Wald, *Saudi, Inc.: The Arabian Kingdom’s Pursuit of Profit and Power* (New York: Pegasus Books, 2018).
- 29 Vincent Laureman, “Global Oil Demand to Disappoint,” *Petroleum Economist*, October 7, 2019, <https://pemedianetwork.com/petroleum-economist/articles/trading-markets/2019/global-oil-demand-to-disappoint>.
- 30 “China’s Arab Policy Paper.”
- 31 “Framework for Peace in the Middle East and Framework for the Conclusion of a Peace Treaty between Egypt and ISRAEL (Camp David Accords),” United Nations, n.d., <https://peacemaker.un.org/egyptisrael-frameworkfor-peace78>.
- 32 Yuen Foong Khong, “Power as Prestige in World Politics,” *International Affairs* 95, no. 1 (2019): 119–42.
- 33 “Final Communiqué of the Asian-African Conference of Bandung (24 April 1955),” CVCE (Centre Virtuel de la Connaissance sur l’Europe), n.d., [https://www.cvce.eu/en/obj/final\\_communique\\_of\\_the\\_asian\\_african\\_conference\\_of\\_bandung\\_24\\_april\\_1955-en-676237bd-72f7-471f-949a-88b6ae513585.html](https://www.cvce.eu/en/obj/final_communique_of_the_asian_african_conference_of_bandung_24_april_1955-en-676237bd-72f7-471f-949a-88b6ae513585.html).
- 34 Camille Lons, ed., “China’s Great Game in the Middle East,” European Council on Foreign Relations, October 21, 2019, [https://ecfr.eu/publication/china\\_great\\_game\\_middle\\_east/](https://ecfr.eu/publication/china_great_game_middle_east/).
- 35 Jason Li, “Conflict Mediation with Chinese Characteristics: How China Justifies Its Non-Interference Policy as an Arbitrator,” Stimson Center, August 27, 2019, <https://www.stimson.org/2019/conflict-mediation-chinese-characteristics-how-china-justifies-its-non-interference-policy/>.
- 36 Interview, anonymous Chinese Middle East specialist #3 by Lucille Greer, April 1, 2019.
- 37 Interview, Arab diplomat to China by Lucille Greer, April 24, 2019.
- 38 “China’s Arab Policy Paper.”
- 39 Charles Webel and Mark Tomass, eds., *Assessing the War on Terror: Western and Middle Eastern Perspectives* (London: Routledge, 2017).
- 40 For further discussion on Chinese policies in Xinjiang and narratives of counterterrorism, see Sean Roberts, *The War on the Uyghurs: China’s Campaign Against Xinjiang’s Muslims* (Princeton, NJ: Princeton University Press, 2020).
- 41 Bradley Jardine and Lucille Greer, “Beyond Silence: Collaboration Between MENA States & China in the Transnational Repression of Uyghurs,” The Uyghur Human Rights Project, March 24, 2022.
- 42 “Bitter Rivals: Iran and Saudi Arabia,” PBS *Frontline*, February 20, 2018, <https://www.pbs.org/wgbh/frontline/film/bitter-rivals-iran-and-saudi-arabia/transcript/>.

- 43 “Clip: Foreign Minister Mohammad Javad Zarif on Saudi Arabia,” Council on Foreign Relations, YouTube (Council on Foreign Relations, April 24, 2018), <https://www.youtube.com/watch?v=5yplAYtj00I>.
- 44 “China Says Can’t Apportion Blame for Saudi Attack without Facts,” Reuters, September 16, 2019, <https://www.reuters.com/article/us-saudi-aramco-attacks-china/china-says-cant-portion-blame-for-saudi-attack-without-facts-idUSKBN1W10LI>.
- 45 Homa Katouzian, “The Iranian Revolution of February 1979,” Middle East Institute, January 29, 2009, <https://www.mei.edu/publications/iranian-revolution-february-1979>.
- 46 Al Jazeera. “Iran 1979: Anatomy of a Revolution.” Al Jazeera, February 1, 2019. <https://www.aljazeera.com/program/featured-documentaries/2019/2/1/iran-1979-anatomy-of-a-revolution>.
- 47 Kim Ghattas, *Black Wave: Saudi Arabia, Iran and the Rivalry That Unravelled the Middle East* (London: Wildfire, 2021), 49.
- 48 [https://commons.wikimedia.org/wiki/File:Imam\\_Khomeini\\_in\\_Mehrabad.jpg](https://commons.wikimedia.org/wiki/File:Imam_Khomeini_in_Mehrabad.jpg). All content is licensed under GFDL.
- 49 Henner Fürtig, “Iran and Saudi Arabia: Eternal ‘Gamecocks?’,” Middle East Institute, January 29, 2009, <https://www.mei.edu/publications/iran-and-saudi-arabia-eternal-gamecocks>.
- 50 Ben Hubbard, Madawi al-Rasheed, Karen E. Young, and Amy Hawthorne. “Inside the Kingdom: Examining Social, Economic, and Religious Reforms.” Washington, DC, 2020.
- 51 Martin S. Indyk, “A Return to the Middle Eastern Great Game (Part One),” Order from Chaos blog, Brookings Institution, July 29, 2016. <https://www.brookings.edu/blog/order-from-chaos/2015/02/17/a-return-to-the-middle-eastern-great-game-part-one/>.
- 52 Banafsheh Keynoush, *Saudi Arabia and Iran: Friends or Foes?* (London: Palgrave Macmillan, 2018).
- 53 John W. Garver, *China and Iran: Ancient Partners in a Post-Imperial World* (Seattle: University of Washington Press, 2008).
- 54 [https://commons.wikimedia.org/wiki/File:Hua\\_Guofeng\\_with\\_Shah\\_Mohammad\\_Reza\\_Pahlavi\\_during\\_a\\_state\\_visit\\_in\\_Iran.jpg](https://commons.wikimedia.org/wiki/File:Hua_Guofeng_with_Shah_Mohammad_Reza_Pahlavi_during_a_state_visit_in_Iran.jpg)
- 55 Ghattas, *Black Wave*, 63.
- 56 “The Siege of Mecca,” NPR *Throughline*, November 14, 2019, <https://www.npr.org/transcripts/778888906>.
- 57 Ghattas, *Black Wave*, 52.
- 58 [https://commons.wikimedia.org/wiki/File:Saudi\\_soldiers,\\_Mecca,\\_1979.JPG](https://commons.wikimedia.org/wiki/File:Saudi_soldiers,_Mecca,_1979.JPG)
- 59 Toby Craig Jones, “Rebellion on the Saudi Periphery: Modernity, Marginalization, and the Shi’a Uprising of 1979,” *International Journal of Middle East Studies* 38, no. 2 (2006): 213–33, <http://www.jstor.org/stable/3879971>.
- 60 See Wald, *Saudi, Inc.*
- 61 “The Siege of Mecca.”
- 62 Ghattas, *Black Wave*, 79.
- 63 “Bitter Rivals: Iran and Saudi Arabia.”
- 64 Jones, “Rebellion on the Saudi Periphery.”
- 65 Lucille Greer and Bradley Jardine, “The Chinese Islamic Association in the Arab World: The Use of Islamic Soft Power in Promoting Silence on Xinjiang,” Middle East Institute, July 14, 2020, <https://www.mei.edu/publications/hinese-islamic-association-arab-world-use-islamic-soft-power-promoting-silence>.
- 66 Julia Lovell, *Maoism: A Global History* (London: Vintage, 2020).

- 67 Interview, Imad Moustapha, Syrian Ambassador to China, by Lucille Greer, April 16, 2019.
- 68 Sergey Radchenko, *Two Suns in the Heavens: The Sino-Soviet Struggle for Supremacy, 1962–1967* (Washington, DC: Woodrow Wilson Center Press; Stanford, CA: Stanford University Press, 2009).
- 69 Chinese Islamic Association. “The Religious Life of Chinese Muslims.” 1981, <https://www.turkistanilibrary.com/content/religious-life-chinese-muslims>.
- 70 Garver, *China and Iran*, 67.
- 71 <https://dawa.center/file/3891>
- 72 Garver, *China and Iran*, 7.
- 73 Garver, *China and Iran*, 55.
- 74 Ghattas, *Black Wave*.
- 75 John Duke Anthony, “The Founding of the Gulf Cooperation Council: A Retrospective and Diplomatic Memoir,” National Council on U.S.-Arab Relations, February 2016. <https://ncusar.org/blog/2015/12/founding-of-the-gcc/>.
- 76 Khaled bin Sultan, *Desert Warrior: A Personal View of the Gulf War by the Joint Forces Commander* (New York: HarperCollins, 1995).
- 77 Garver, *China and Iran*, 59.
- 78 <https://www.apimages.com/metadata/Index/Watchf-AP-I-SAU-APHSL7804-Gulf-Cooperation-Council/a20ae978ea9f4959878651fa1a53690c/2/0>.
- 79 Keynoush, *Saudi Arabia and Iran*.
- 80 Ghattas, *Black Wave*.
- 81 Keynoush, *Saudi Arabia and Iran*.
- 82 Keynoush, *Saudi Arabia and Iran*.
- 83 Keynoush, *Saudi Arabia and Iran*.
- 84 Keynoush, *Saudi Arabia and Iran*.
- 85 “中华人民共和国外交部声明 – 中华人民共和国外交部 [Statement of the Ministry of Foreign Affairs of the People’s Republic of China],” Foreign Ministry of the People’s Republic of China, March 20, 2003, [https://www.fmprc.gov.cn/web/ziliao\\_674904/11179\\_674909/t5048.shtml](https://www.fmprc.gov.cn/web/ziliao_674904/11179_674909/t5048.shtml).
- 86 Sean R. Roberts, “Why Did the United States Take China’s Word on Supposed Uighur Terrorists?,” *Foreign Policy*, November 10, 2020, <https://foreignpolicy.com/2020/11/10/why-did-the-united-states-take-chinas-word-on-supposed-uighur-terrorists/>.
- 87 “Iran,” Nuclear Threat Initiative, n.d., <https://www.nti.org/learn/countries/iran/nuclear/>.
- 88 Keynoush, *Saudi Arabia and Iran*.
- 89 David E. Sanger, James Glanz, and Jo Becker, “Around the World, Distress Over Iran,” *New York Times*, November 28, 2010, <https://www.nytimes.com/2010/11/29/world/middleeast/29iran.html>.
- 90 Chen Ying, “Is the Arab Spring Coming to China? The Missing Piece of the Puzzle,” JIA SIPA, October 6, 2016, <https://jia.sipa.columbia.edu/online-articles/arab-spring-coming-china-missing-piece-puzzle>.
- 91 Hong Leta Fincher, *Betraying Big Brother: The Feminist Awakening in China* (London: Verso, 2021), 38.
- 92 Keynoush, *Saudi Arabia and Iran*.
- 93 “Yemen Crisis: Why Is There a War?,” BBC News, June 19, 2020, <https://www.bbc.com/news/world-middle-east-29319423>.

- 94 Helene Cooper, "Saudi Arabia Approves of Iran Nuclear Deal, U.S. Defense Chief Says," *New York Times*, July 22, 2015, <https://www.nytimes.com/2015/07/23/world/middleeast/iran-nuclear-deal-saudi-arabia.html>.
- 95 <https://www.flickr.com/photos/minoritenplatz8/19067069963/> Bundesministerium für Europa, Integration und Äusseres. (CC BY 2.0)
- 96 Bruce Riedel, "What the Iran Deal Has Meant for Saudi Arabia and Regional Tensions," Markaz blog, Brookings, May 1, 2018, <https://www.brookings.edu/blog/markaz/2016/07/13/what-the-iran-deal-has-meant-for-saudi-arabia-and-regional-tensions/>.
- 97 Ghattas, *Black Wave*.
- 98 Matthew Rosenberg and Adam Goldman, "C.I.A. Names the 'Dark Prince' to Run Iran Operations, Signaling a Tougher Stance," *New York Times*, June 2, 2017, <https://www.nytimes.com/2017/06/02/world/middleeast/cia-iran-dark-prince-michael-dandrea.html>.
- 99 "Kingdom of Saudi Arabia's Statement on the United States Withdrawal from the JCPOA," Embassy of the Kingdom of Saudi Arabia, May 8, 2018, <https://www.saudiembassy.net/news/kingdom-saudi-arabias-statement-united-states-withdrawal-jcpoa>.
- 100 Laurel Wamsley and Emily Kwong, "Iran Abandons Nuclear Deal Limitations in Wake of Soleimani Killing," NPR, January 5, 2020. <https://www.npr.org/2020/01/05/793814276/iran-abandons-nuclear-deal-limitations-in-wake-of-soleimani-killing>.
- 101 "US Urges Iran's New President Ebrahim Raisi to Resume Nuclear Talks," BBC News, August 5, 2021, <https://www.bbc.com/news/world-middle-east-58109087>.
- 102 Juan Chen, Meng Shu, and Shaobiao Wen, "Aligning China's Belt and Road Initiative with Saudi Arabia's 2030 Vision: Opportunities and Challenges," *China Quarterly of International Strategic Studies* 4, no. 3 (2018): 363–79, <https://doi.org/https://doi.org/10.1142/S237740018500203>.
- 103 *Chinese National Bureau of Commerce Yearbook (1980–1999)* (Beijing: National Bureau of Statistics of China, [[date?]]); and *Chinese National Bureau of Statistics Yearbook (1999–2018)* (Beijing: Chinese National Bureau of Statistics, n.d.).
- 104 Chen, Shu, and Wen, "Aligning China's Belt and Road Initiative with Saudi Arabia's 2030 Vision."
- 105 Lucille Greer and Esfandiyar Batmanghelidj, "Last Among Equals: The China-Iran Partnership in a Regional Context," Wilson Center, September 3, 2020, <https://www.wilsoncenter.org/publication/last-among-equals-china-iran-partnership-regional-context>.
- 106 Manojeh Dorraj and Carrie L. Currier, "Lubricated with Oil: Iran-China Relations in a Changing World," *Middle East Policy* 15, no. 2 (2008), <https://doi.org/https://doi.org/10.1111/j.1475-4967.2008.00350.x>.
- 107 Ariana Tabatabai and Dina Esfandiary, *Triple-Axis: China, Russia, Iran and Power Politics* (London: I. B. Tauris, 2018).
- 108 Greer and Batmanghelidj, "Last Among Equals."
- 109 Saudi Press Agency, "Saudi Cabinet Welcomes IRGC Terrorist Designation by US," Arab News, April 10, 2019, <https://www.arabnews.com/node/1480026/saudi-arabia>.
- 110 "President Xi Proclaims Silk Road Spirit," Xinhua, July 5, 2017, [http://www.xinhuanet.com/english/2017-05/14/c\\_136281622.htm](http://www.xinhuanet.com/english/2017-05/14/c_136281622.htm).
- 111 "President Xi Jinping Delivers Speech at Nazarbayev University," CCTV International, YouTube, September 8, 2013, <https://www.youtube.com/watch?v=dHkNzMjEvOY>.
- 112 "Xi's Thought to Be Codified in China's Constitution," Xinhua, March 5, 2018, [http://www.xinhuanet.com/english/2018-03/05/c\\_137017101.htm](http://www.xinhuanet.com/english/2018-03/05/c_137017101.htm).

- 113 Philipp Galkin, Dongmei Chen, and Junyuang Ke, "China's Energy Investment Through the Lens of the Belt and Road Initiative," King Abdullah Petroleum Studies and Research Center, December 2019, <https://doi.org/10.30573/KS--2019-DP83>.
- 114 Fulton, *China's Relations with the Gulf Monarchies*.
- 115 Shannon Tiezzi, "Who Is Actually Attending China's Belt and Road Forum?," *The Diplomat*, May 12, 2017, <https://thediplomat.com/2017/05/who-is-actually-attending-chinas-belt-and-road-forum/>.
- 116 "Wang Yi At The Organization Of Islamic Cooperation: China Is Investing US\$400 Billion In Muslim Belt And Road Initiative Projects" Silk Road Briefing, <https://www.silkroadbriefing.com/news/2022/03/24/wang-yi-at-the-organization-of-islamic-cooperation-china-is-investing-us400-billion-in-muslim-belt-and-road-initiative-projects/>.
- 117 Chen, Shu, and Wen, "Aligning China's Belt and Road Initiative with Saudi Arabia's 2030 Vision."
- 118 Ben Blanchard, "Saudi Arabia Strikes \$10 Billion China Deal, Talks De-Radicalisation with Xi," Reuters, February 22, 2019, <https://www.reuters.com/article/us-asia-saudi-china/saudi-arabia-strikes-10-billion-china-deal-talks-de-radicalisation-with-xi-idUSKCN10B15H>.
- 119 "Cabinet Hails Commonalities between China's BRI and Saudi Vision 2030," Arab News, April 30, 2019, <https://www.arabnews.com/node/1490596/saudi-arabia>.
- 120 Chen, Shu, and Wen, "Aligning China's Belt and Road Initiative with Saudi Arabia's 2030 Vision."
- 121 "Vision 2030: Home," Saudi Vision 2030, Kingdom of Saudi Arabia, n.d., <https://vision2030.gov.sa/en>.
- 122 "Saudi Vision 2030: Thriving Economy," Saudi Vision 2030, Kingdom of Saudi Arabia, n.d., <https://www.vision2030.gov.sa/v2030/overview/thriving-economy/>.
- 123 "Saudi Arabia," OPEC, n.d., [https://www.opec.org/opec\\_web/en/about\\_us/169.htm](https://www.opec.org/opec_web/en/about_us/169.htm).
- 124 This document is the only available sample of the language used in the Comprehensive Strategic Partnership agreements China routinely uses in the region. Though Saudi Arabia also has a CSP with China, the language of the deal is not publicly available.
- 125 Interview, Chas Freeman by Lucille Greer, October 15, 2019.
- 126 "ACWA Power and Silk Road Fund Announce the Completion of Partnership over ACWA Power Renewable Energy Holding Ltd," ACWA Power, May 27, 2020, <https://www.acwapower.com/news/acwa-power-and-silk-road-fund-announce-the-completion-of-partnership-over-acwa-power-renewable-energy-holding-ltd/>.
- 127 "Wang Yanzhi Meets with Minister Khalid Al-Falih of Energy, Industry and Mineral Resources of Saudi Arabia," Silk Road Fund, February 26, 2019, <http://www.silkroadfund.com.cn/enweb/23809/23812/37905/index.html>.
- 128 "China's ICBC Opens First Branch in Saudi Arabia," Reuters, June 4, 2015, <https://www.reuters.com/article/icbc-saudi-banking-idUSL3N0YQ1UR20150604>.
- 129 "Top China Bank Seeking Iran Branch," *Financial Tribune*, January 22, 2016, <https://financialtribune.com/articles/economy-business-and-markets/34762/top-china-bank-seeking-iran-branch>.
- 130 "Full Text of Chinese President's Signed Article on Saudi Newspaper," Foreign Ministry of the People's Republic of China, January 18, 2016, [https://www.fmprc.gov.cn/mfa\\_eng/wjdt\\_665385/zjyh\\_665391/t1332852.shtml](https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zjyh_665391/t1332852.shtml).
- 131 "Full Text of Xi's Signed Article on Iranian Newspaper," *China Daily*, January 21, 2016, [http://www.chinadaily.com.cn/world/2016xivisitmiddleeast/2016-01/21/content\\_23189585.htm](http://www.chinadaily.com.cn/world/2016xivisitmiddleeast/2016-01/21/content_23189585.htm)
- 132 Greer and Batmanghelidj, "Last Among Equals."



- 133 Khaled al-Ghadeer, "الرؤية وطريق الحرير.. السعودية والصين.. [Saudi Arabia and China... the Vision and the Silk Road]," *al-Arabiya*, February 22, 2019, <https://www.alarabiya.net/ar/saudi-today/views/2019/02/23/%D8%A7%D9%84%D8%B3%D8%B9%D9%88%D8%AF%D9%8A%D8%A9-%D9%88%D8%A7%D9%84%D8%B5%D9%8A%D9%86-%D8%A7%D9%84%D8%B1%D8%A4%D9%8A%D8%A9-%D9%88%D8%B7%D8%B1%D9%8A%D9%82-%D8%A7%D9%84%D8%AD%D8%B1%D9%8A%D8%B1>.
- 134 Kevin Jones, "The Edge Becomes the Center: Profile of Ahmed Mater," *Ahmed Mater*, July 2018, <https://www.ahmedmater.com/press/the-edge-becomes-the-center>.
- 135 IFP Editorial Staff, "Iran Ready for Active Participation in China's 'One Belt, One Road,'" *Iran Front Page*, June 26, 2020, <https://ifpnews.com/iran-ready-for-active-participation-in-chinas-one-belt-one-road>.
- 136 Peter Frankopan, *Silk Roads: A New History of the World* (London: Bloomsbury Publishing, 2018).
- 137 Hyunhee Park, *Mapping the Chinese and Islamic Worlds: Cross-Cultural Exchange in Pre-Modern Asia* (Cambridge, UK: Cambridge University Press, 2015).
- 138 Edward H. Schafer, *The Golden Peaches of Samarkand* (London: Kegan Paul, 2004); and Berthold Laufer, "Sino-Iranica: Chinese Contributions to the History of Civilization in Ancient Iran. With Special Reference to the History of Cultivated Plants and Products," *Journal of the Royal Asiatic Society* 52, no. 4 (October 1920): 653–55 DOI: <https://doi.org/10.1017/S0035869X00148798>.
- 139 "The Battle of Talas," *In Our Times*, BBC, October 9, 2014.
- 140 Park, *Mapping the Chinese and Islamic Worlds*.
- 141 Interview, Qin Yong (Kareem Qin), Vice President of the China-Arab Exchange Association and Secretary General of the Middle East Foundation for Peace and Development, by Lucille Greer, March 6, 2019.
- 142 Park, *Mapping the Chinese and Islamic Worlds*, 192.
- 143 Chung Min Lee, "South Korea Is Caught Between China and the United States," *Carnegie Endowment for International Peace*, October 21, 2020, <https://carnegieendowment.org/2020/10/21/south-korea-is-caught-between-china-and-united-states-pub-83019>; Bruce Stokes, "Hostile Neighbors: China vs. Japan," *Global Attitudes Project*, Pew Research Center, July 24, 2020, <https://www.pewresearch.org/global/2016/09/13/hostile-neighbors-china-vs-japan/>; and Brahma Chellaney, "Chinese Anxiety over Tibet Fuels Rising Tensions with India," *Nikkei Asia*, October 5, 2020, <https://asia.nikkei.com/Opinion/Chinese-anxiety-over-Tibet-fuels-rising-tensions-with-India>.
- 144 "How Saudi Arabia Revived the Ancient Silk Road," *Arab News*, September 2, 2016, <https://www.arabnews.com/node/979341/saudi-arabia>.
- 145 Michelle Ker, "China's High Speed Rail Diplomacy," U.S.-China Economic and Security Review Commission, February 21, 2017, <https://www.uscc.gov/sites/default/files/Research/China%27s%20High%20Speed%20Rail%20Diplomacy.pdf>.
- 146 "الصفحة الرئيسية" [Main Page], Makkah Mass Rail Transit, n.d., <https://mmrt.com.sa/>.
- 147 Abhishek G. Bhaya, "Chinese-Built Mecca Light Railway Praised by Hajj Pilgrims," *CGTN*, August 30, 2018, [https://news.cgtn.com/news/3d3d514f7a55444f79457a6333566d54/share\\_p.html](https://news.cgtn.com/news/3d3d514f7a55444f79457a6333566d54/share_p.html).
- 148 "عن الشركة" [About the Company], Makkah Mass Rail Transit, n.d., <https://mmrt.com.sa/%d9%85%d8%b9%d9%84%d9%88%d9%85%d8%a7%d8%aa-%d8%b9%d9%86%d8%a7/>.
- 149 مقابلة: سفير الصين في الرياض: الصين والسعودية... صداقة متجذرة في قلوب الشعبين وتكاتف لبناء مجتمع المصير المشترك "جريدة الرياض" [Interview: Chinese Ambassador in Riyadh: China and Saudi Arabia... a Friendship Rooted in the Hearts of the Two Peoples and a Joint Hand to Build a Community with a Shared Future for Mankind], *al-Riyadh/Xinhua*, July 21, 2020, <http://www.alriyadh.com/1832674>.
- 150 Bhaya, "Chinese-Built Mecca Light Railway Praised by Hajj Pilgrims."



- 151 Edward Wong, "How Our Former Beijing Bureau Chief Found Himself on a Bullet Train in Saudi Arabia," *New York Times*, March 14, 2019, <https://www.nytimes.com/2019/03/14/reader-center/saudi-arabia-high-speed-train-medina-mecca.html>.
- 152 [https://news.cgtn.com/news/3d3d514f7a55444f79457a6333566d54/share\\_p.html](https://news.cgtn.com/news/3d3d514f7a55444f79457a6333566d54/share_p.html)
- 153 Bhaya, "Chinese-Built Mecca Light Railway Praised by Hajj Pilgrims."
- 154 "中铁建麦加巨亏41亿始末:铁道部系统高压督战 [The Beginning and End of China Railway Construction Mecca's Huge Loss of 4.1 Billion: High-Pressure Supervision of the Ministry of Railways]," Sina, November 7, 2010, <http://finance.sina.com.cn/roll/20101107/21548913332.shtml>.
- 155 John Calabrese, "China and Iran: Partners Perfectly Mismatched Partners," Occasional Papers, Jamestown Foundation, August 2006.
- 156 Yinghuang Zhu and Hao Wang, "'Made-in-China' Subway Fulfills Iranian Dream," *China Daily*, June 12, 2004, [http://www.chinadaily.com.cn/english/doc/2004-06/12/content\\_338907.htm](http://www.chinadaily.com.cn/english/doc/2004-06/12/content_338907.htm).
- 157 Garver, *China and Iran*.
- 158 Tabatabai and Esfandiary, *Triple-Axis*.
- 159 Calabrese, "China and Iran: Mismatched Partners."
- 160 <https://www.shutterstock.com/image-photo/tehran-iran-may-20-2017-train-750310210>
- 161 Greer and Batmanghelidj, "Last Among Equals."
- 162 Interview, Dalga Khatinoglu by Lucille Greer, July 29, 2020.
- 163 Xinhua, "China Thanks Saudi Arabia for Earthquake Donation," *China Daily*, May 16, 2008, [https://www.china-daily.com.cn/china/2008-05/16/content\\_6691737.htm](https://www.china-daily.com.cn/china/2008-05/16/content_6691737.htm).
- 164 Interview, Liu Hengwei by Lucille Greer, March 15, 2020.
- 165 Fulton, *China's Relations with the Gulf Monarchies*.
- 166 Interview, Liu by Greer, March 15, 2020.
- 167 Galkin, Chen, and Ke, "China's Energy Investment Through the Lens of the Belt and Road Initiative."
- 168 "Sustainability Report on Serving the Construction of the Belt and Road 服务‘一带一路’可持续发展报告," Sinopec in Saudi Arabia (Sinopec Group, 2019), <http://www.sinopecgroup.com/group/en/Resource/Pdf/Sinopecin-SaudiArabia2019en.pdf>.
- 169 "Aramco, Sinopec Inaugurate YASREF Refinery, Pledge More Cooperation," *Hydrocarbon Processing*, January 22, 2016, <https://www.hydrocarbonprocessing.com/news/2016/hinesmco-sinopec-inaugurate-yasref-refinery-pledge-more-cooperation>.
- 170 Ali Al-Naimi, *Out of the Desert: My Journey from Nomadic Bedouin to the Heart of Global Oil* (New York: Portfolio Penguin, 2016).
- 171 Jin Wang, "China and Saudi Arabia: A New Alliance?," *The Diplomat*, September 3, 2016, <https://thediplomat.com/2016/09/china-and-saudi-arabia-a-new-alliance/>.
- 172 United Nations, "Asia Pacific Energy Portal," Asia Pacific Energy Portal, n.d., <https://escap.thinkbluedata.com/#>.
- 173 United Nations, "Asia Pacific Energy Portal."
- 174 "Sustainability Report on Serving the Construction of the Belt and Road."
- 175 "Aramco, Sinopec, Exxon Sign Fujian Refinery Deal," *Reuters*, February 25, 2007, <https://www.reuters.com/article/saudi-china-refinery-idUSL2549125020070225>.
- 176 "Sustainability Report on Serving the Construction of the Belt and Road."

- 177 “Sinopec Service Saudi Arabia Eid Gathering & 15th Anniversary Celebration,” Sinopec in Saudi Arabia, August 29, 2019, <https://www.facebook.com/watch/?v=2245323552446763>.
- 178 “Sustainability Report on Serving the Construction of the Belt and Road.”
- 179 Henry Lee and Dan A. Shalmon, “Searching for Oil: China’s Oil Initiatives in the Middle East,” The Belfer Center, January 2007, <https://www.belfercenter.org/sites/default/files/legacy/files/china%20oil%20h%20lee%202007.pdf>.
- 180 Chen Aizhu, “Sinopec Drills 7th Saudi Gas Well after Others Disappoint,” Reuters, June 17, 2009, <https://www.reuters.com/article/sinopec-saudi-gas/sinopec-drills-7th-saudi-gas-well-after-others-disappoint-idUSPEK10896920090617>.
- 181 “Sustainability Report on Serving the Construction of the Belt and Road.”
- 182 مقابلة: سفير الصين في الرياض: الصين والسعودية... صداقة متجذرة في قلوب الشعبين وتكاتف لبناء مجتمع المصير المشترك “للبيشيرية” جريدة الرياض
- 183 “Sustainability Report on Serving the Construction of the Belt and Road.”
- 184 “Sustainability Report on Serving the Construction of the Belt and Road.”
- 185 “Aramco Completes Its Acquisition of a 70% Stake in SABIC from the Public Investment Fund (PIF),” Saudi Aramco, June 17, 2020, <https://www.saudiaramco.com/en/news-media/news/2020/saudi-aramco-completes-acquisition-of-70-percent-stake-in-sabic#>.
- 186 Ben Blanchard, “China, Saudi Arabia Eye \$65 Billion in Deals as King Visits,” Reuters, March 16, 2017, <https://www.reuters.com/article/us-saudi-asia-china/china-saudi-arabia-eye-65-billion-in-deals-as-king-visits-idUSKB-N16N0G9>.
- 187 “Saudi Aramco Signs Agreement to Form Largest Sino-Foreign Joint Venture with NORINCO and Panjin Sincen in China,” Saudi Aramco, February 22, 2019, <https://www.saudiaramco.com/en/news-media/news/2019/saudi-aramco-and-norinco#>.
- 188 Rania El Gamal, Chen Aizhu, and Min Zhang, “Saudi Aramco Shifts Strategy in China to Boost Oil Sales,” Reuters, March 14, 2019, <https://www.reuters.com/article/us-saudi-aramco-china-oil/saudi-aramco-shifts-strategy-in-china-to-boost-oil-sales-idUSKCN1QV1JC>.
- 189 Interview, Ellen Wald by Lucille Greer, June 5, 2020.
- 190 Alfred Cang, “Saudi Aramco Suspends \$10 Billion China Oil Refinery Venture,” Bloomberg, August 21, 2020, <https://www.bloomberg.com/news/articles/2020-08-21/saudi-aramco-suspends-10-billion-china-oil-refinery-venture>.
- 191 Summer Said and Sarah McFarlane, “Saudi Aramco Slows Diversification Plans Amid Industry Downturn,” *Wall Street Journal*, September 2, 2020, <https://www.wsj.com/articles/saudi-aramco-slows-diversification-plans-amid-industry-downturn-11599054505>.
- 192 Interview, Erica Downs by Lucille Greer, July 15, 2020; and “Saudi Arabia Becomes Largest Oil Exporter to China,” Anadolu Agency, November 26, 2019, <https://www.aa.com.tr/en/energy/transportation-fuel-oil/saudi-arabia-becomes-largest-oil-exporter-to-china-/27511>.
- 193 Dawud Ansari, “OPEC, Saudi Arabia, and the Shale Revolution: Insights from Equilibrium Modelling and Oil Politics,” *Energy Policy* 111 (2017): 166–78.
- 194 Robert A. Hefner III, “The United States of Gas: Why the Shale Revolution Could Have Happened Only in America,” *Foreign Affairs* 93 (2014): 9.
- 195 Interview, Bo Kong by Lucille Greer, July 29, 2020.
- 196 “China Surpassed the United States as the World’s Largest Crude Oil Importer in 2017,” U.S. Energy Information Agency, February 5, 2018, <https://www.eia.gov/todayinenergy/detail.php?id=34812>; and “Saudi Arabia,” OPEC.

- 197 Chen, Shu, and Wen, "Aligning China's Belt and Road Initiative with Saudi Arabia's 2030 Vision."
- 198 Interview, Liu by Greer, March 15, 2020.
- 199 Interview, Wald by Greer, June 5, 2020.
- 200 Interview, Downs by Greer, July 15, 2020.
- 201 Interview, Kong by Greer, July 29, 2020.
- 202 Interview, Liu by Greer, March 15, 2020.
- 203 Interview, Kong by Greer, July 29, 2020.
- 204 Interview, Downs by Greer, July 15, 2020.
- 205 Interview, Kong by Greer, July 29, 2020.
- 206 Interview, Wald by Greer, June 5, 2020.
- 207 Interview, Downs by Greer, July 15, 2020.
- 208 "China National Petroleum Corporation Pumping New Oil in Iran," CGTN Africa, YouTube, January 22, 2016, <https://www.youtube.com/watch?v=FtZx5gfVd2M>.
- 209 Parisa Hafezi, "UPDATE 2-Oil Minister Zanganeh Says Hopeful Iran's Oil Exports Will Improve," Reuters, July 7, 2019, <https://www.reuters.com/article/iran-oil-zanganeh-idCNL8N2480UX>.
- 210 Yu Guoqing, "China's Foreign Energy Policy towards Iran," Newsletter 62, International Institute for Asian Studies, 2012, [https://www.iias.asia/sites/default/files/nwl\\_article/2019-05/IIAS\\_NL62\\_27.pdf](https://www.iias.asia/sites/default/files/nwl_article/2019-05/IIAS_NL62_27.pdf).
- 211 Dorraj and Currier, "Lubricated with Oil."
- 212 Interview, Liu by Greer, March 15, 2020.
- 213 "The United States to Impose Sanctions on Chinese Firm Zhuhai Zhenrong Company Limited for Purchasing Oil From Iran," U.S. Department of State, December 1, 2020, <https://2017-2021.state.gov/the-united-states-to-impose-sanctions-on-chinese-firm-zhuhai-zhenrong-company-limited-for-purchasing-oil-from-iran/index.html>.
- 214 David Sheppard, "US Blacklists Chinese Companies for Shipping Iran Oil," *Financial Times*, September 25, 2019, <https://www.ft.com/content/9b61b4fa-dfc9-11e9-9743-d5a370481bc>.
- 215 Nisha Gopalan, "China May Dismiss U.S. Sanctions. Its Banks Can't," Yahoo! Finance, August 13, 2020, <https://finance.yahoo.com/news/king-dollar-drowns-chinas-sanctions-233001266.html>.
- 216 Esfandyar Batmanghelidj, "Iran Can No Longer Rely on Trade with China," Bloomberg, April 27, 2020, <https://www.bloomberg.com/opinion/articles/2020-04-27/iran-can-no-longer-rely-on-trade-with-china>.
- 217 Greer and Batmanghelidj, "Last Among Equals."
- 218 United Nations, "Asia Pacific Energy Portal," Asia Pacific Energy Portal, n.d., <https://escap.thinkbluedata.com/#>.
- 219 United Nations, "Asia Pacific Energy Portal."
- 220 Interview, Khatinoglu by Greer, July 29, 2020.
- 221 Alterman and Garver, *The Vital Triangle*.
- 222 Zhong Xiang Zhang, "China's Energy Security, the Malacca Dilemma and Responses," *Energy Policy* 39, no. 12 (2011): 7612–15.
- 223 Interview, Downs by Greer, July 15, 2020.
- 224 Interview, Kong by Greer, July 29, 2020.

- 225 Abbas Amanat, *Iran: A Modern History* (New Haven, CT: Yale University Press, 2019), 306.
- 226 Amanat, *Iran*, 532.
- 227 Wald, *Saudi, Inc.*
- 228 Interview, Wald by Greer, June 5, 2020.
- 229 Ellen R. Wald, "The Real Problem with Iranian Oil," *Futures Magazine*, April 22, 2016, <http://www.futuresmag.com/2016/04/22/real-problem-iranian-oil?page=1>.
- 230 Greer and Batmanghelidj, "Last Among Equals."
- 231 Interview, Downs by Greer, July 15, 2020.
- 232 "Missing Out on LNG Market Iran Needs to Take Action," *Tehran Times*, April 21, 2020, <https://www.tehran-times.com/news/447026/Missing-out-on-LNG-market-iran-needs-to-take-action>.
- 233 Emran Hussain, "CNPC Begins Phase 11 of South Pars Gas Field," *Oil & Gas Middle East*, October 18, 2010, <https://www.oilandgasmiddleeast.com/article-7951-cnpc-begins-phase-11-of-south-pars-gas-field>.
- 234 Interview, Downs by Greer, July 15, 2020.
- 235 Erica S. Downs, "China-Middle East Energy Relations," *Brookings*, July 28, 2016, <https://www.brookings.edu/testimonies/china-middle-east-energy-relations/>.
- 236 "Iran: Total and NIOC Sign Contract for the Development of Phase 11 of the Giant South Pars Gas Field," *TotalEnergies.com*, July 3, 2017, <https://www.total.com/media/news/press-releases/iran-total-and-nioc-sign-contract-development-phase-11-giant-south-pars-gas-field>.
- 237 "Total Quits South Pars Gas Field Project in Iran Due to US Sanctions," *Offshore Technology*, August 22, 2018, <https://www.offshore-technology.com/news/total-quits-south-pars-gas-field-project-iran-due-us-sanctions/>.
- 238 "CNPC Replaces Total in \$4.8bn South Pars Project in Iran," *Offshore Technology*, November 26, 2018, <https://www.offshore-technology.com/news/cnpc-total-south-pars-project-iran/>.
- 239 Sina Azodi, Alex Vatanka, and Albert Wolf, "Total Leaves Iran as Energy Sanctions Loom," *Middle East Institute*, August 17, 2018, <https://www.mei.edu/publications/total-leaves-iran-energy-sanctions-loom>.
- 240 "Iran's Petropars Developing South Pars Gas Field after Withdrawal of Foreign Companies," *Reuters*, January 25, 2020, <https://www.reuters.com/article/us-iran-energy-gas/irans-petropars-developing-south-pars-gas-field-after-withdrawal-of-foreign-companies-idUSKBN1Z009J>.
- 241 <https://www.tehrantimes.com/news/414770/Total-CNPC-seal-5b-gas-deal-with-Iran> (CC BY 4.0)
- 242 "NIOC, CNPC Talk Masjed Soleyman Oilfield," *Financial Tribune*, August 31, 2016, [https://financialtribune.com/articles/energy/48895/nioc-cnpc-talk-masjed-soleyman-oilfield?utm\\_campaign=more-like-this](https://financialtribune.com/articles/energy/48895/nioc-cnpc-talk-masjed-soleyman-oilfield?utm_campaign=more-like-this).
- 243 "Azadegan Oil Field, Iran," *Hydrocarbons Technology*, n.d., <https://www.hydrocarbons-technology.com/projects/azadegan-oil-field/>; and "Azadegan Up for Investment," *Shana Petro Energy Information Network*, January 27, 2020, <https://en.shana.ir/news/298466/Azadegan-Up-for-Investment>.
- 244 Aresu Eqbali, "Iran Decides to Take Azadegan Oil Field Back from China's CNPC: Report," *S&P Global Platts*, April 29, 2014, <https://www.spglobal.com/platts/en/market-insights/latest-news/oil/042914-iran-decides-to-take-azadegan-oil-field-back-from-chinas-cnpc-report>.
- 245 "CNPC 2016 Annual Report," *CNPC*, 2016, <https://www.cnpc.com.cn/en/2014enbv/201504/99544ca9d50b-4fb4bb610ec9570b0974/files/4f1cfc8cb2b6492999eaeba0f5b08262.pdf>; *Shana News*, "North Azadegan Output Continues Undisrupted," *Oil and Gas Links*, June 15, 2019, <https://oglinks.news/cnpc/news/north-azadegan-output-continues-undisrupted>; and Chen Aizhu, "CNPC Suspends Investment in Iran's South Pars after U.S. Pressure: Sources," *Reuters*, December 12, 2018, <https://www.reuters.com/article/us-china-iran-gas-sanctions/cnpc-suspends-investment-in-irans-south-pars-after-u-s-pressure-sources-idUSKBN10BORU>.

- 246 “China National Petroleum Corporation Pumping New Oil in Iran,” CGTN Africa.
- 247 “Sinopec Set to Sign Deal with Tehran,” *New York Times*, October 26, 2006, <https://www.nytimes.com/2006/11/26/business/worldbusiness/26iht-sinopec.3666316.html>.
- 248 Benoit Faucon, “Sinopec Advances Iran Oil-Field Plans Despite Canceled China Deal,” *Wall Street Journal*, May 22, 2014, <https://www.wsj.com/articles/sinopec-advances-iran-oil-field-plans-despite-canceled-china-deal-sources-1400791647>.
- 249 “China’s Sinopec to Develop Yadavaran Oilfield,” Mehr News Agency, July 25, 2016, <https://en.mehrnews.com/news/118364/China-s-Sinopec-to-develop-Yadavaran-oilfield>.
- 250 “Iran Says China’s Sinopec Might Not Develop Yadavaran Oilfield,” Reuters, May 2, 2019, <https://www.reuters.com/article/us-iran-china-oil-idUSKCN1S8192>.
- 251 <https://www.youtube.com/watch?v=FtX5gfVd2M>
- 252 “Sinopec Set to Sign Deal with Tehran.”
- 253 Chen Aizhu, “Sinopec Starts up Refining Unit in Iran’s Arak Plant,” Reuters, August 19, 2011, <https://www.reuters.com/article/sinopec-iran-refinery/sinopec-starts-up-refining-unit-in-irans-arak-plant-idUKL4E7JJ1M920110819>.
- 254 “2017 Annual Report and Accounts,” Sinopec, March 25, 2018, 28, <http://www.sinopec.com/listco/en/Resource/Pdf/20180325036.pdf>.
- 255 “2017 Annual Report and Accounts,” 102.
- 256 “Abadan Refinery Upgrading Project Halted Temporarily Due to Coronavirus,” *Tehran Times*, March 15, 2020, <https://www.tehrantimes.com/news/446056/Abadan-Refinery-upgrading-project-halted-temporarily-due-to-coronavirus>.
- 257 Interview, Liu by Greer, March 15, 2020.
- 258 Interview, Kong by Greer, July 29, 2020.
- 259 Greer and Batmanghelidj, “Last Among Equals.”
- 260 “Home - GACC,” General Administration of Customs of the People’s Republic of China, n.d., <http://english.customs.gov.cn/>.
- 261 “Huawei Sheds Light on the Importance of Its Ecosystem in the Entertainment Sector During JOY Forum 2019 in Riyadh,” *Huawei*, October 15, 2019, <https://consumer.huawei.com/sa-en/press/news/2019/huawei-sheds-light-on-the-importance-of-its-ecosystem/>.
- 262 “Foreign Ministry Spokesperson Geng Shuang’s Remarks on the US Indictments of Huawei,” Foreign Ministry of the People’s Republic of China, January 29, 2019, [https://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/2535\\_665405/t1633464.shtml](https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2535_665405/t1633464.shtml).
- 263 Raymond Zhong, “Who Owns Huawei? The Company Tried to Explain. It Got Complicated,” *New York Times*, April 25, 2019, <https://www.nytimes.com/2019/04/25/technology/who-owns-huawei.html>.
- 264 Kenji Kawase, “ZTE’s Less-Known Roots: Chinese Tech Company Falls from Grace,” *Nikkei Asia*, April 27, 2018, <https://asia.nikkei.com/Business/Company-in-focus/ZTE-s-less-known-roots-Chinese-tech-company-falls-from-grace>. ZTE is actually an SOE, while Huawei states that it is employee-owned.
- 265 Interview, Dennis Amari, Huawei Vice President Federal and Regulatory Affairs in Washington, D.C., by Lucille Greer, August 9, 2020.
- 266 Oula A. Alrifai and Yoel Guzansky, “The Huawei Wars and the 5G Revolution in the Gulf,” Middle East Institute, July 30, 2019, <https://www.mei.edu/publications/huawei-wars-and-5g-revolution-gulf>.
- 267 “Vision 2030: Home,” Saudi Vision 2030.

- 268 “Saudi Arabia Open to Huawei, Says Communications Minister,” Al Arabiya English, May 20, 2020, <https://english.alarabiya.net/en/business/technology/2019/02/28/Saudi-Arabia-open-to-Huawei-so-long-as-security-requirements-are-complied-with->.
- 269 “Riyadh Set to Become the Arab World’s First Digital Capital in 2020,” *Business Wire*, December 19, 2019, <https://www.businesswire.com/news/home/20191219005518/en/Riyadh-Set-Arab-World%E2%80%99s-Digital-Capital-2020>.
- 270 Interview with Li Xiangyu, Vice President of Public Affairs and Communication for Huawei Middle East, by Lucille Greer, August 10, 2020.
- 271 Wang, “China and Saudi Arabia: A New Alliance?”
- 272 “Branch Office,” Huawei Enterprise, n.d., <https://e.huawei.com/hk/branch-office-query>.
- 273 Fatima Muhammad, “Huawei Market Share Hits 20.9% in Saudi Arabia; Expected to Grow 50% in Few Months,” *Saudi Gazette*, April 14, 2018, <https://saudigazette.com.sa/article/532686/BUSINESS/Huawei-market-share-hits-209-in-KSA-expected-to-reach-50-in-few-months>.
- 274 “Huawei Market Share Widens in KSA up 27%,” *Saudi Gazette*, July 23, 2018, <https://saudigazette.com.sa/article/539643/BUSINESS/Huawei-market-share-widens-in-KSA-up-27>.
- 275 “Saudi Arabia Open to Huawei, Says Communications Minister.”
- 276 “Huawei Launches Its Latest HUAWEI Nova 5T and HUAWEI WATCH GT 2 in Saudi Arabia,” Huawei Enterprise, October 28, 2019, <https://consumer.huawei.com/sa-en/press/news/2019/huawei-launches-its-latest-huawei-nova-5t-and-huawei-watch-gt-2/>.
- 277 “Huawei Sheds Light on the Importance of Its Ecosystem in the Entertainment Sector During JOY Forum 2019 in Riyadh,” Huawei, October 15, 2019, <https://consumer.huawei.com/sa-en/press/news/2019/huawei-sheds-light-on-the-importance-of-its-ecosystem/>.
- 278 “MCIT, Huawei Launch ICT Job Fair in Saudi Arabia to Support Local Digital Transformation,” Huawei, January 25, 2019, <https://e.huawei.com/in/news/service/2019/201901251156>.
- 279 Interview, Li by Greer, August 10, 2020.
- 280 Interview, Li by Greer, August 10, 2020.
- 281 “Huawei Safeguards the Hajj,” Huawei, 2019, <https://e.huawei.com/en/case-studies/industries/government/2020/safeguards-the-hajj>; “2017 Annual Report,” Huawei, [https://www.huawei.com/-/media/corporate/pdf/annual-report/annual\\_report2017\\_en.pdf?la=en](https://www.huawei.com/-/media/corporate/pdf/annual-report/annual_report2017_en.pdf?la=en).
- 282 <https://www.shutterstock.com/image-photo/riyadhsaudi-arabia-june-3-2019-huawei-1416185540>
- 283 Interview, Li by Greer, August 10, 2020.
- 284 “STC Signs 5G Deal with Huawei,” CXO Insight Middle East, February 26, 2019, <https://www.cxoinsightme.com/news/stc-signs-5g-deal-with-huawei/>.
- 285 “Huawei to Help Saudi Arabia Become World’s Top 5G Country,” *Global Times*, February 22, 2019, <http://www.globaltimes.cn/content/1139737.shtml>.
- 286 “Zain KSA Launches 5G Network in Partnership with Huawei,” Huawei, October 15, 2019, <https://www.huawei.com/en/news/2019/10/zain-ksa-huawei-launch-5g-network>.
- 287 Interview, Li by Greer, August 10, 2020.
- 288 “Providing a Secure and Efficient Traffic Environment for Yanbu, Saudi Arabia, with Huawei’s ITMS,” Huawei, May 20, 2020, <https://e.huawei.com/en/case-studies/industries/government/2020/traffic-management-solution-yanbu>.

- 289 Charles Clover, "Ren Zhengfei Rebutts Accusations That Huawei Spies for China," *Financial Times*, January 22, 2015, <https://www.ft.com/content/3bf37c88-a225-11e4-bbb8-00144feab7de>.
- 290 Interview, Li by Greer, August 10, 2020.
- 291 Arjun Kharpal, "Huawei Says It Would Never Hand Data to China's Government. Experts Say It Wouldn't Have a Choice," CNBC, March 5, 2019, <https://www.cnbc.com/2019/03/05/huawei-would-have-to-give-data-to-china-government-if-asked-experts.html>.
- 292 Charlie Wood, "Zoom Admits Calls Got 'Mistakenly' Routed through China," *Business Insider*, April 6, 2020, <https://www.businessinsider.com/china-zoom-data-2020-4>.
- 293 Jardine and Greer, "Beyond Silence."
- 294 Hassan Sajwani, "Huawei in the Middle East Taking Fire as It Hires Ola Fares on Its Newest Marketing Campaign. Ola Is a Known Propagandist for the Qatari Regime," Twitter, February 21, 2020, <https://twitter.com/HSajwanization/status/1230945079457722374?s=20>; and Eman Ebrahim Al Doseri, "This Is a Message to #Huawei to Inform Them That We Will BOYCOTT Your Devices till You STOP Using so Called Celebrities Who Are Spreading Lies & Attacking #SaudiArabia & This BOYCOTT Will Continue in All #GCC #SaudiArabia #Bahrain and #UAE #OlaFaris #الشعب\_السعودي\_هو\_اي\_مقاطعة\_هواوي Pic.twitter.com/DFQVw5Hd4t," Twitter, February 21, 2020, <https://twitter.com/EmanAlDosary/status/1230928652923260934?s=20>.
- 295 "Huawei CEO Allegedly Said the Company Has an Office in Iran," Bloomberg, August 21, 2019, <https://www.bloomberg.com/news/articles/2019-08-21/huawei-cfo-allegedly-said-the-company-has-an-office-in-iran>.
- 296 "Select Your Country or Region," HUAWEI Global, n.d., <https://consumer.huawei.com/en/worldwide/>.
- 297 "Service-Center," HUAWEI Support, n.d., <https://consumer.huawei.com/fa/support/service-center/>.
- 298 "4 در گوشی آموزش تنظیم اینترنت 4," Irancell, n.d., [https://irancell.ir/p/9352/%D8%A2%D9%85%D9%88%D8%B2%D8%B4-%D8%AA%D9%86%D8%B8%DB%8C%D9%85-%D8%A7%DB%8C%D9%86%D8%AA%D8%B1%D9%86%D8%AA-4g-%D8%AF%D8%B1-%DA%AF%D9%88%D8%B4%DB%8C-huawei-honor-6](https://irancell.ir/p/9352/%D8%A2%D9%85%D9%88%D8%B2%D8%B4-%D8%AA%D9%86%D8%B8%DB%8C%D9%85-%D8%A7%DB%8C%D9%86%D8%AA%D8%B1%D9%86%D8%AA-4g-%D8%AF%D8%B1-%DA%AF%D9%88%D8%B4%DB%8C-huawei-honor-6;); and "Best Products of MWC 2018," Irancell, March 11, 2020, <https://irancell.ir/en/b/11246/best-products-of-mwc-2018>.
- 299 "Irancell and Huawei, Speed and Technology in Your Hands!," Irancell, n.d., <https://irancell.ir/en/p/7503/irancell-and-huawei-speed-and-technology-in-your-hands>.
- 300 <https://irancell.ir/p/1844/%d8%a7%db%8c%d8%b1%d8%a7%d9%86%d8%b3%d9%84-%d9%88-%d9%87%d9%88%d8%a7%d9%88%db%8c%d8%9b-%d8%b3%d8%b1%d8%b9%d8%aa-%d9%88-%d8%aa%da%a9%d9%86%d9%88%d9%84%d9%88%da%98%db%8c-%d8%af%d8%b1-%d8%af%d8%b3%d8%aa> Just a screenshot from their website, remove if problematic
- 301 Greer and Batmanghelidj, "Last Among Equals."
- 302 Tabatabai and Esfandiary, *Triple-Axis*, 133.
- 303 Interview, Amari by Greer, August 9, 2020.
- 304 Steve Stecklow, "Special Report: Chinese Firm Helps Iran Spy on Citizens," Reuters, March 22, 2012, <https://www.reuters.com/article/us-iran-telecoms/special-report-chinese-firm-helps-iran-spy-on-citizens-idUSBRE82L0B820120322>.
- 305 "Iran Looks to China for Development of Intranet," Radio Farda, September 2, 2020, <https://en.radiofarda.com/a/iran-looks-to-china-for-development-of-intranet-/30817282.html>.
- 306 Steve Stecklow, "Exclusive: Huawei Partner Offered U.S. Tech to Iran," Reuters, October 25, 2012, <https://www.reuters.com/article/us-huawei-iran/exclusive-huawei-partner-offered-u-s-tech-to-iran-idUSBRE8900E520121025>.



- 307 Steve Stecklow and Babak Dehghanpisheh, "Exclusive: Huawei Hid Business Operation in Iran after Reuters Reported Links to CFO," Reuters, June 3, 2020, <https://www.reuters.com/article/us-huawei-iran-probe-exclusive/exclusive-huawei-hid-business-operation-in-iran-after-reuters-reported-links-to-cfo-idUSKBN23A19B>.
- 308 Paul Mozur, "U.S. Restricts Sales to ZTE, Saying It Breached Sanctions," *New York Times*, March 7, 2016, <https://www.nytimes.com/2016/03/08/technology/us-restricts-sales-to-zte-saying-it-breached-sanctions.html>.
- 309 Paul Mozur, "ZTE Document Raises Questions About Huawei and Sanctions," *New York Times*, March 18, 2016, <https://www.nytimes.com/2016/03/19/technology/zte-document-raises-questions-about-huawei-and-sanctions.html>.
- 310 "ZTE Corporation Agrees to Plead Guilty and Pay Over \$430.4 Million for Violating U.S. Sanctions by Sending U.S.-Origin Items to Iran," U.S. Department of Justice, March 30, 2018, <https://www.justice.gov/opa/pr/zte-corporation-agrees-plead-guilty-and-pay-over-4304-million-violating-us-sanctions-sending>.
- 311 "Secretary Ross Announces Activation of ZTE Denial Order in Response to Repeated False Statements to the U.S. Government," U.S. Embassy China, April 16, 2018, <https://china.usembassy-china.org.cn/wp-content/uploads/sites/252/Secretary-Ross-Announces-Activation-of-ZTE-Denial-Order-in-Response-to-Repeated-False-Statements-to-the-U.S.-Government.pdf>.
- 312 Kate Conger, "Huawei Executive Took Part in Sanctions Fraud, Prosecutors Say," *New York Times*, December 7, 2018, <https://www.nytimes.com/2018/12/07/technology/huawei-meng-wanzhou-fraud.html>.
- 313 Lauren Feiner, "Huawei CFO Meng Wanzhou to be Released After Agreement with U.S. in Wire Fraud Case," CNBC, September 24, 2021, <https://www.cnbc.com/2021/09/24/huawei-cfo-meng-wanzhou-to-be-released-after-agreement-with-us-in-fraud-case.html>.
- 314 "Huawei Entity List Frequently Asked Questions (FAQs)," Bureau of Industry and Security, U.S. Department of Commerce, December 3, 2020, <https://www.bis.doc.gov/index.php/documents/pdfs/2447-huawei-entity-listing-faqs/file>.
- 315 <https://www.shutterstock.com/image-photo/vancouver-bc-canada-sept-24-2021-2047431233>
- 316 Interview, Amari by Greer, August 9, 2020.
- 317 Steve Stecklow, "Huawei, Hi-Tech, and U.S.-China Ties," USC U.S.-China Institute/Asia Society, California, January 14, 2018.
- 318 Interview, Amari by Greer, August 9, 2020.
- 319 Raymond Zhong, "Jailed Huawei Workers Raised a Forbidden Subject: Iran," *New York Times*, April 25, 2020, <https://www.nytimes.com/2020/04/25/technology/china-huawei-iran-arrests.html>.
- 320 Sawсан al-Ibtih, "كما على الأرض كذلك على شبكة الإنترنت" [On the ground as on the internet...], al-Sharq al-Awsat, August 21, 2021, <https://aawsat.com/home/article/2460581/%d8%b3%d9%88%d8%b3%d9%86-%d8%a7%d9%84%d8%a3%d8%a8%d8%b7%d8%ad/%d9%83%d9%85%d8%a7-%d8%b9%d9%84%d9%89-%d8%a7%d9%84%d8%a3%d8%b1%d8%b6-%d9%83%d8%b0%d9%84%d9%83-%d8%b9%d9%84%d9%89-%d8%b4%d8%a8%d9%83%d8%a9-%d8%a7%d9%84%d8%a5%d9%86%d8%aa%d8%b1%d9%86%d8%aa>.
- 321 "تزدهر مع 6.1 مليون مطور عالمي Huawei mobile services ecosystem thrives with 1.6 million global developers], *جريدة الرياض* [Al Riyadh], August 9, 2020, <http://www.alriyadh.com/1835828>; and "هو اوي، تحفل بالعيد مع عروضات خاصة على عدد من الهواتف الذكية المميزة" [Huawei celebrates Eid with special offers on a number of distinguished smartphones], *جريدة الرياض* [Al Riyadh], July 28, 2020, <http://www.alriyadh.com/1834089>.
- 322 Interview, anonymous U.S. official by Greer, August 15, 2020.
- 323 "Beijing: U.S. Has No Right to Criticize China's Arms Exports," CGTN, July 17, 2020, <https://news.cgtn.com/news/2020-07-17/Beijing-U-S-has-no-right-to-criticize-China-s-arms-exports--ScwWZ9kzg4/index.html>.

- 324 Jeremy Page and Paul Sonne, "Unable to Buy U.S. Military Drones, Allies Place Orders with China," *Wall Street Journal*, July 17, 2017, <https://www.wsj.com/articles/unable-to-buy-u-s-military-drones-allies-place-orders-with-china-1500301716>.
- 325 James Reinl, "Arms Sales to Middle East Have Increased Dramatically, New Research Shows," *Middle East Eye*, March 10, 2019, <https://www.middleeasteye.net/news/arms-sales-middle-east-have-increased-dramatically-new-research-shows>.
- 326 Interview, Elsa B. Kania, Chinese Defense Industry Expert, by Lucille Greer, August 24, 2020.
- 327 Interview, Meia Nouwens, Senior Fellow for Chinese Defence Policy and Military Modernisation at the International Institute for Strategic Studies, by Lucille Greer, August 22, 2020.
- 328 "SIPRI Yearbook 2020 Summary," Stockholm International Peace Research Institute, 2020, [https://www.sipri.org/sites/default/files/2020-06/yb20\\_summary\\_en\\_v2.pdf](https://www.sipri.org/sites/default/files/2020-06/yb20_summary_en_v2.pdf).
- 329 Interview, Kania by Greer, August 24, 2020.
- 330 Kenneth Allen, Phillip C. Saunders, and John Chen, "Chinese Military Diplomacy, 2003–2016: Trends and Implications," *China Strategic Perspectives* 11, National Defense University Press, July 17, 2017, <https://ndupress.ndu.edu/Media/News/Article/1249864/chinese-military-diplomacy-20032016-trends-and-implications/>.
- 331 Interview, Nouwens by Greer, August 22, 2020.
- 332 Interview, Kania by Greer, August 24, 2020.
- 333 Interview, Nouwens by Greer, August 22, 2020.
- 334 Interview, anonymous U.S. official by Greer, August 15, 2020.
- 335 Interview with Dave DeRoches, National Defense University, by Lucille Greer, August 10, 2020.
- 336 Khaled bin Sultan, *Desert Warrior*.
- 337 "Dong Feng-3 (CSS-2)," Missile Defense Advocacy Alliance, n.d., <https://missiledefenseadvocacy.org/missile-threat-and-proliferation/todays-missile-threat/china/dong-feng-3-css-2/>.
- 338 Khaled bin Sultan, *Desert Warrior*.
- 339 Interview, DeRoches by Greer, August 10, 2020.
- 340 Khaled bin Sultan, *Desert Warrior*.
- 341 Google maps 20°38'24.0"N 45°38'24.0"E and <https://www.nti.org/analysis/articles/middle-east-missile-mania-its-not-just-iran/>
- 342 Anoushiravan Ehteshami and Niv Horesh, eds., *China's Presence in the Middle East: The Implications of the One Belt, One Road Initiative* (London: Routledge, 2017).
- 343 Khaled bin Sultan, *Desert Warrior*.
- 344 Interview, John Duke Anthony, National Council on U.S.-Arab Relations, by Lucille Greer, July 20, 2020.
- 345 Khaled bin Sultan, *Desert Warrior*.
- 346 Jeffrey Lin and P. W. Singer, "Saudis Use Chinese-Made Cannons in Yemen," *Popular Science*, April 26, 2015, <https://www.popsci.com/saudis-use-chinese-made-cannons-yemen/>.
- 347 Jeff Stein, "Exclusive: CIA Helped Saudis in Secret Chinese Missile Deal," *Newsweek*, April 22, 2014, <https://www.newsweek.com/exclusive-cia-helped-saudis-chinese-missile-deal-227283>.
- 348 Interview, Pieter Wezemen, Stockholm International Peace Research Institute, by Lucille Greer, August 8, 2020.

- 349 Kyle Mizokami, "For the First Time, Chinese UAVs Are Flying and Fighting in the Middle East," *Popular Mechanics*, November 14, 2017, <https://www.popularmechanics.com/military/weapons/news/a18677/chinese-drones-are-flying-and-fighting-in-the-middle-east/>.
- 350 Interview, Kania by Greer, August 24, 2020.
- 351 Jeffrey Lin and P. W. Singer, "Did An Armed Chinese-Made Drone Just Crash in Nigeria?," *Popular Science*, January 28, 2015, <https://www.popsci.com/did-armed-chinese-made-drone-just-crash-nigeria/>; Joseph Trevithick, "Only One Of Iraq's Chinese CH-4B Drones Is Mission Capable As Other Buyers Give Up On Them," *The Drive*, August 8, 2019, <https://www.thedrive.com/the-war-zone/29324/only-one-of-iraqs-chinese-ch-4b-drones-is-mission-capable-as-other-buyers-give-up-on-them>.
- 352 David Axe, "Why No One Wants to Buy China's CH-4 'Killer' Drone Anymore," The Buzz blog, *The National Interest*, November 20, 2019, <https://nationalinterest.org/blog/buzz/why-no-one-wants-buy-chinas-ch-4-killer-drone-anymore-92546>.
- 353 "Houthi's Air Defence Forces Shoot down Saudi CH4 Strike UAV," ptrtur, YouTube, December 23, 2018, <https://www.youtube.com/watch?v=aKnhv6f-WVg>.
- 354 Interview, Wezemen by Greer, August 8, 2020.
- 355 Interview, DeRoches by Greer, August 10, 2020.
- 356 Catie Edmondson, "Senate Votes Again to End Aid to Saudi War in Yemen, Defying Trump," *New York Times*, March 13, 2019, <https://www.nytimes.com/2019/03/13/us/politics/yemen-saudi-war-senate.html>.
- 357 Interview, DeRoches by Greer, August 10, 2020.
- 358 Minnie Chan, "Chinese Drone Factory in Saudi Arabia First in Middle East," *South China Morning Post*, July 20, 2018, <https://www.scmp.com/news/china/diplomacy-defence/article/2081869/chinese-drone-factory-saudi-arabia-first-middle-east>.
- 359 Interview, Wezemen by Greer, August 8, 2020.
- 360 "Ukraine Suspends Joint Venture with Saudi Arabia to Build An-132 Aircraft," Middle East Monitor, April 29, 2019, <https://www.middleeastmonitor.com/20190429-ukraine-suspends-joint-venture-with-saudi-arabia-to-build-an-132-aircraft/>.
- 361 Phil Mattingly, Zachary Cohen, and Jeremy Herb, "Exclusive: US Intel Shows Saudi Arabia Escalated Its Missile Program with Help from China," CNN, December 23, 2021, <https://edition.cnn.com/2019/06/05/politics/us-intelligence-saudi-arabia-ballistic-missile-china/index.html>.
- 362 Paul Sonne, "Can Saudi Arabia Produce Ballistic Missiles? Satellite Imagery Raises Suspicions," *Washington Post*, January 23, 2019, [https://www.washingtonpost.com/world/national-security/can-saudi-arabia-produce-ballistic-missiles-satellite-imagery-raises-suspicions/2019/01/23/49e46d8c-1852-11e9-a804-c35766b9f234\\_story.html](https://www.washingtonpost.com/world/national-security/can-saudi-arabia-produce-ballistic-missiles-satellite-imagery-raises-suspicions/2019/01/23/49e46d8c-1852-11e9-a804-c35766b9f234_story.html).
- 363 Mattingly, Cohen, and Herb, "Exclusive: US Intel Shows Saudi Arabia Escalated Its Missile Program with Help from China."
- 364 Google Maps 24°13'12.0"N 44°42'21.6"E
- 365 "Saudi Arabia," Nuclear Threat Initiative, n.d., <https://www.nti.org/countries/saudi-arabia/>.
- 366 "China's Arms Trade with Iran Cable 1984," Central Intelligence Agency, December 22, 2016, <https://www.cia.gov/readingroom/document/cia-rdp85t00287r001200100001-9>.
- 367 <https://www.cia.gov/readingroom/document/cia-rdp85t00287r001200100001-9>
- 368 Interview, Wezemen by Greer, August 8, 2020.
- 369 "SIPRI Databases," Stockholm International Peace Research Institute, n.d., <https://www.sipri.org/databases>.
- 370 Interview, Nouwens by Greer, August 22, 2020.

- 371 "SIPRI Databases."
- 372 Tabatabai and Esfandiary, *Triple-Axis*.
- 373 Interview, Kania by Greer, August 24, 2020.
- 374 Interview, Wezemen by Greer, August 8, 2020.
- 375 Tabatabai and Esfandiary, *Triple-Axis*.
- 376 Greer and Batmanghelidj, "Last Among Equals."
- 377 "Security Council Announces Failure to Adopt Text on Iran Sanctions by 2 Against, 2 in Favour, 11 Abstentions | Meetings Coverage and Press Releases," United Nations, August 14, 2020, <https://www.un.org/press/en/2020/sc14277.doc.htm>.
- 378 Chinese Mission to the UN, "The US Draft Resolution on Iran Was Rejected Today by the #UNSC. The Result Shows Again That Unilateralism Enjoys No Support, and Bullying Will Fail. Any Attempt to Place One's Own Interest above the Common Interest of the International Community Is a Dead End. [Pic.twitter.com/qJryTv45be](https://twitter.com/qJryTv45be)," Twitter, August 14, 2020, <https://twitter.com/Chinamission2un/status/1294402368256331776?s=20>.
- 379 Interview, Nouwens by Greer, August 22, 2020.
- 380 Interview, Wezemen by Greer, August 8, 2020.
- 381 Interview, DeRoches by Greer, August 10, 2020.
- 382 Interview, Nouwens by Greer, August 22, 2020.
- 383 "SIPRI Databases."
- 384 "SIPRI Databases."
- 385 "Iran's Joint Wargame with Russia, China Delivers Message to World," Mehr News Agency, December 1, 2019, <https://en.mehrnews.com/news/152759/Iran-s-joint-wargame-with-Russia-China-delivers-message-to-world>.
- 386 "No Need to Fear Joint Military Exercise," *Global Times*, December 26, 2019, <https://www.globaltimes.cn/content/1174957.shtml>.
- 387 "أبوابنا فلأفكو نديج نصل الامتريظن عم م2019 قرزالا فيسلا نيرمت نفننث نيرحبلا تاوقلا / ماع" [Year / Naval forces carry out drill Blue Sword 2019 with Chinese counterpart in Jeddah], Saudi Press Agency, November 17, 2019, <https://www.spa.gov.sa/1999406>.
- 388 Greer and Batmanghelidj, "Last Among Equals."
- 389 W. Andy Knight and Afyare E. Elmi, "Combatting Piracy in the Horn of Africa Waters," in *The Palgrave Handbook of Contemporary International Political Economy*, ed. Timothy M. Shaw, Laura C. Mahrenbach, Renu Modi, and Xu Yi-chong (London: Palgrave Macmillan, 2019), [https://doi.org/https://doi.org/10.1057/978-1-137-45443-0\\_30](https://doi.org/https://doi.org/10.1057/978-1-137-45443-0_30); and "WOLF WARRIOR 2 Trailer (2017)," New Trailer Buzz, YouTube, July 11, 2017, <https://www.youtube.com/watch?v=flq-GiPB2D8M>. *Wolf Warrior 2* is action movie that includes a foiled attack on a Chinese vessel by Somali pirates.
- 390 "About the Industry," World Shipping Council, n.d., <https://www.worldshipping.org/about-the-industry/global-trade/trade-statistics#1>.
- 391 Nick Routley, "Here Are the 20 Busiest Ports on the Planet," World Economic Forum, February 5, 2019, <https://www.weforum.org/agenda/2019/02/visualizing-the-world-s-busiest-ports>.
- 392 Andrew Erickson and Austin Strange, "Sunk Costs: China and the Pirates," *The Diplomat*, November 11, 2013, <https://thediplomat.com/2013/09/sunk-costs-china-and-the-pirates/>.
- 393 Brandon Prins, "Global Sea Piracy Ticks Upward, and the Coronavirus May Make It Worse," *The Conversation*, May 5, 2020, <https://theconversation.com/global-sea-piracy-ticks-upward-and-the-coronavirus-may-make-it-worse-137586>.

- 394 Paul Sonne, "U.S. Accuses China of Directing Blinding Lasers at American Military Aircraft in Djibouti," *Washington Post*, April 28, 2019, <https://www.washingtonpost.com/news/checkpoint/wp/2018/05/03/u-s-accuses-china-of-directing-blinding-lasers-at-american-military-aircraft-in-djibouti/>.
- 395 Amy Cheng, "Will Djibouti Become Latest Country to Fall Into China's Debt Trap?," *Foreign Policy*, July 31, 2018, <https://foreignpolicy.com/2018/07/31/will-djibouti-become-latest-country-to-fall-into-chinas-debt-trap/>.
- 396 Jiangtao Shi, "Lessons to Learn from Libyan Evacuation," *South China Morning Post*, March 4, 2011, <https://www.scmp.com/article/739925/lessons-learn-libyan-evacuation>; and "Yemen Crisis: China Evacuates Citizens and Foreigners from Aden," BBC News, April 3, 2015, <https://www.bbc.com/news/world-middle-east-32173811>.
- 397 Allen, Saunders, and Chen, "Chinese Military Diplomacy, 2003–2016."
- 398 Jonathan Fulton, "Strangers to Strategic Partners: Thirty Years of Sino-Saudi Relations," Atlantic Council, August 2020, [https://www.atlanticcouncil.org/wp-content/uploads/2020/08/Sino-Saudi-Relations\\_WEB.pdf](https://www.atlanticcouncil.org/wp-content/uploads/2020/08/Sino-Saudi-Relations_WEB.pdf).
- 399 Russell Hsiao, "China Expands Naval Presence through Jeddah Port Call," Jamestown, September 18, 2016, <https://jamestown.org/program/china-expands-naval-presence-through-jeddah-port-call/>.
- 400 "Counter-Terrorism Law of the People's Republic of China," *China Law Translate*, December 27, 2015, [https://www.chinalawtranslate.com/en/counter-terrorism-law-2015/#\\_Toc439054063](https://www.chinalawtranslate.com/en/counter-terrorism-law-2015/#_Toc439054063).
- 401 Jérôme Doyon, "'Counter-Extremism' in Xinjiang: Understanding China's Community-Focused Counter-Terrorism Tactics," *War on the Rocks*, January 14, 2019, <https://warontherocks.com/2019/01/counter-extremism-in-xinjiang-understanding-chinas-community-focused-counter-terrorism-tactics/>.
- 402 "Counter-Terrorism Law of the People's Republic of China."
- 403 Arabic-language articles called the drill فاشكتس ال (al-Istikshaf), which translates as "Exploration." However, pictures from the drill show the English title for the drill as "Discovery," which translates to فاشتكال (al-Iktishaf). Confusion between the words is a function of the same root letters in two similar verb forms. Mixing up the two words given their very similar meaning is a common mistake for non-native Arabic speakers.
- 404 حريدة "اختتام تمرين 'الاستكشاف 6102' في تشنغدو الصينية" [Drill 'Exploration 2016' concludes in Chinese Chengdu], *جريدة الرياض* [al-Riyadh], accessed July 13, 2021, <https://www.alriyadh.com/1542430>.
- 405 "China, Saudi Arabia Hold Joint 'Anti-Terror' Drills," Al Jazeera, October 27, 2016, <https://www.aljazeera.com/news/2016/10/27/china-saudi-arabia-hold-joint-anti-terror-drills>.
- 406 Greer and Jardine, "The Chinese Islamic Association in the Arab World."
- 407 "Chinese Naval Fleet Visits Saudi Arabia," China Military, January 10, 2017, [http://eng.chinamil.com.cn/view/2017-01/10/content\\_7446160.htm](http://eng.chinamil.com.cn/view/2017-01/10/content_7446160.htm).
- 408 "China Pays Jeddah Port Call," China Military, July 31, 2017, [http://eng.chinamil.com.cn/view/2017-08/01/content\\_7699372.htm](http://eng.chinamil.com.cn/view/2017-08/01/content_7699372.htm).
- 409 "Saudi Arabia, China Conduct Drill to Improve Combat Readiness," Arab News, November 17, 2019, <https://www.arabnews.com/node/1585431/saudi-arabia>.
- 410 "القوات البحرية تختتم تمرين 'السيف الأزرق 9102م' مع نظيرتها الصينية" [Naval forces conclude drill "Blue Sword 2019" with Chinese counterparts], *صحيفة سبق الإلكترونية* [SABQ], December 4, 2019, <https://sabq.org/Stz36R>.
- 411 "القوات البحرية الملكية السعودية تختتم تمرين السيف الأزرق 9102م مع نظيرتها القوات البحرية الصينية" [Royal Saudi Naval Forces conclude drill Blue Sword 2019 with counterpart Chinese Navy], Saudi Ministry of Defense, YouTube, December 4, 2019, <https://www.youtube.com/watch?v=8i6KHoa6hAU>.
- 412 "تدريبات السيف الأزرق 9102 المشتركة بين الصين والسعودية تجري في جدة" [Joint drills Blue Sword 2019 take place in Jeddah], CCTV Arabic, YouTube, December 4, 2019, <https://www.youtube.com/watch?v=UDuRYufwu38>.

- 413 “القوات البحرية تُنفذ تمرين السيف الأزرق 9102م مع نظيرتها الصين بجدة” [Year / Naval forces complete drill Blue Sword 2019 with Chinese counterparts in Jeddah].”
- 414 <https://www.spa.gov.sa/viewfullstory.php?lang=en&newsid=2007020>
- 415 Interview, DeRoche by Greer, August 10, 2020.
- 416 Greer and Batmanghelidj, “Last Among Equals.”
- 417 Michael Rubin, “Iran’s Navy Is Dying a Slow Death,” American Enterprise Institute, May 18, 2020, <https://www.aei.org/op-eds/irans-navy-is-dying-a-slow-death/>.
- 418 “ ورود ناوگروه نیروی دریایی چین به بندر عباس” [Arrival of the Chinese Navy to Bandar Abbas], IRNA News Agency, September 20, 2014, <https://www.irna.ir/photo/2737987/%D9%88%D8%B1%D9%88%D8%AF-%D9%86%D8%A7%D9%88%DA%AF%D8%B1%D9%88%D9%87-%D9%86%DB%8C%D8%B1%D9%88%DB%8C-%D8%AF%D8%B1%DB%8C%D8%A7%DB%8C%DB%8C-%DA%86%DB%8C%D9%86-%D8%A8%D9%87-%D8%A8%D9%86%D8%AF%D8%B1%D8%B9%D8%A8%D8%A7%D8%B3>.
- 419 “China Aims to Boost Military Relations with Iran,” Reuters, May 5, 2014, <https://www.reuters.com/article/uk-china-iran/china-aims-to-boost-military-relations-with-iran-idUKKBN0DL0DU20140505>.
- 420 Thomas Erdbrink and Chris Buckley, “China and Iran to Conduct Joint Naval Exercises in the Persian Gulf,” *New York Times*, September 21, 2014, <https://www.nytimes.com/2014/09/22/world/middleeast/china-and-iran-to-conduct-joint-naval-exercises-in-the-persian-gulf.html>; and Ankit Panda, “China and Iran’s Historic Naval Exercise,” *The Diplomat*, September 23, 2014, <https://thediplomat.com/2014/09/china-and-irans-historic-naval-exercise/>.
- 421 “中国海军舰艇编队首次访问伊朗 图片 新闻 中国政府网 [Chinese naval fleet visits Iran for the first time],” PRC Ministry of Foreign Affairs, September 21, 2014, [http://www.gov.cn/xinwen/2014-09/21/content\\_2753714.htm](http://www.gov.cn/xinwen/2014-09/21/content_2753714.htm).
- 422 Erdbrink and Buckley, “China and Iran to Conduct Joint Naval Exercises in the Persian Gulf.”
- 423 <https://www.irna.ir/photo/2737987/%D9%88%D8%B1%D9%88%D8%AF-%D9%86%D8%A7%D9%88%DA%AF%D8%B1%D9%88%D9%87-%D9%86%DB%8C%D8%B1%D9%88%DB%8C-%D8%AF%D8%B1%DB%8C%D8%A7%DB%8C%DB%8C-%DA%86%DB%8C%D9%86-%D8%A8%D9%87-%D8%A8%D9%86%D8%AF%D8%B1%D8%B9%D8%A8%D8%A7%D8%B3>
- 424 Franz-Stefan Gady, “China, Iran to Deepen Military Ties,” *The Diplomat*, December 14, 2017, <https://thediplomat.com/2017/12/china-iran-to-deepen-military-ties/>.
- 425 “Chinese Navy Flotilla Docks at Iran’s Bandar Abbas,” Xinhua, June 15, 2017, [http://www.xinhuanet.com/english/2017-06/15/c\\_136368748.htm](http://www.xinhuanet.com/english/2017-06/15/c_136368748.htm).
- 426 “Iran, China Hold Naval Drills in Persian Gulf,” Radio Free Europe/Radio Liberty, June 18, 2017, <https://www.rferl.org/a/iran-china-naval-drills-persian-gulf/28561634.html>.
- 427 “Iranian, Chinese Joint Military Exercises Kick off in Persian Gulf,” IRNA English, June 18, 2017, <https://en.irna.ir/news/82568682/Iranian-Chinese-joint-military-exercises-kick-off-in-Persian>.
- 428 Greer and Batmanghelidj, “Last Among Equals.”
- 429 Alec Blivas, “Sino-Russian Military Exercises Signal a Growing Alliance,” *U.S. Naval Institute: Proceedings* 147 (June 2021), <https://www.usni.org/magazines/proceedings/2021/june/sino-russian-military-exercises-signal-growing-alliance>.
- 430 Greer and Batmanghelidj, “Last Among Equals.”
- 431 “China, Russia, Iran Start Joint Naval Exercise in Gulf of Oman,” CGTN, December 27, 2019, <https://news.cgtn.com/news/2019-12-27/China-Russia-Iran-start-joint-naval-exercise-in-Gulf-of-Oman-MLzwsImQWk/index.html>.



- 432 <https://iranpress.com/content/16973/first-day-marine-security-belt-drills-the-north-the-indian-ocean>
- 433 Ben Westcott and Hamdi Alkhshali, "China, Russia and Iran Hold Joint Naval Drills in Gulf of Oman," CNN, December 27, 2019, <https://www.cnn.com/2019/12/27/asia/china-russia-iran-military-drills-intl-hnk/index.html>.
- 434 "China, Russia, Iran Start Joint Naval Exercise in Gulf of Oman."
- 435 Jiayao Li, "China, Russia, Iran to Hold Joint Naval Exercise," China Military, December 27, 2019, [http://eng.chinamil.com.cn/view/2019-12/27/content\\_9704505.htm](http://eng.chinamil.com.cn/view/2019-12/27/content_9704505.htm).
- 436 "Iran, Russia, China to Conduct Joint Naval Exercise in Indian Ocean," *Al-Monitor*, February 9, 2021, <https://www.al-monitor.com/originals/2021/02/iran-russia-china-naval-drill.html#ixzz70nczNj5D>.
- 437 "Iran, Russia and China to Hold Joint Drills in Gulf in Late 2021, Early 2022," Middle East Eye, August 23, 2021, <https://www.middleeasteye.net/news/iran-russia-china-joint-naval-exercise-gulf>.
- 438 "When the Bones of US President Turn to Dust, Islamic Republic of Iran Will Still Be Standing," The Official Website of Ayatollah Khamenei, May 22, 2018, <https://english.khamenei.ir/news/5671/When-the-bones-of-US-President-turn-to-dust-Islamic-Republic>.
- 439 Warren P. Strobel, Michael R. Gordon, and Felicia Schwartz, "Saudi Arabia, With China's Help, Expands Its Nuclear Program," *Wall Street Journal*, August 4, 2020, <https://www.wsj.com/articles/saudi-arabia-with-chinas-help-expands-its-nuclear-program-11596575671>.
- 440 "Statement by H.E. Ambassador WANG Qun at the IAEA Board of Governors Meeting," Foreign Ministry of the People's Republic of China, June 18, 2020, [https://www.fmprc.gov.cn/mfa\\_eng/wjwb\\_663304/zwjg\\_665342/zwbdt\\_665378/t1789971.shtml](https://www.fmprc.gov.cn/mfa_eng/wjwb_663304/zwjg_665342/zwbdt_665378/t1789971.shtml).
- 441 "Iran," Nuclear Threat Initiative.
- 442 Wamsley and Kwong, "Iran Abandons Nuclear Deal Limitations in Wake of Soleimani Killing."
- 443 Colum Lynch, "A Last-Ditch Effort to Save the Iran Deal," *Foreign Policy*, December 28, 2021, <https://foreignpolicy.com/2021/12/28/iran-nuclear-deal-jcpoa-vienna-capabilities-biden/>.
- 444 Kenneth Katzman, "Iran Sanctions," RS20871, Congressional Research Service, April 21, 2021, <https://fas.org/sgp/crs/mideast/RS20871.pdf>; and Michael Schwirtz, "U.N. Security Council Rejects U.S. Proposal to Extend Arms Embargo on Iran," *New York Times*, August 14, 2020, <https://www.nytimes.com/2020/08/14/world/middleeast/UN-Iran-embargo.html>.
- 445 "China," U.S. Energy Information Administration (EIA), September 30, 2020, <https://www.eia.gov/international/analysis/country/CHN>.
- 446 Alterman and Garver, *The Vital Triangle*.
- 447 Interview, Tong Zhao, Carnegie-Tsinghua Center for Global Policy, by Lucille Greer, April 12, 2019.
- 448 Alterman and Garver, *The Vital Triangle*, 42.
- 449 Interview, Zhao by Greer, April 12, 2019.
- 450 Interview, anonymous Chinese Middle East specialist #2 by Lucille Greer, March 29, 2019.
- 451 Interview, John Calabrese, American University and the Middle East Institute, by Lucille Greer, March 25, 2019.
- 452 Interview, Zhao by Greer, April 12, 2019.
- 453 Ian Black and Simon Tisdall, "Saudi Arabia Urges US Attack on Iran to Stop Nuclear Programme," *Guardian*, November 28, 2010, <https://www.theguardian.com/world/2010/nov/28/us-embassy-cables-saudis-iran>.
- 454 Interview, anonymous Chinese Middle East specialist #2 by Greer, March 29, 2019.
- 455 Interview, Zhao by Greer, April 12, 2019.



- 456 "China's Arab Policy Paper."
- 457 "Saudi Arabia Signs Cooperation Deals with China on Nuclear Energy," Reuters, August 25, 2017, <https://www.reuters.com/article/saudi-china-nuclear/saudi-arabia-signs-cooperation-deals-with-china-on-nuclear-energy-idUSL8N1LB1CE>.
- 458 Henry Fountain and Jamie McGregor Smith, "The World Can Make More Water From the Sea, but at What Cost?," *New York Times*, October 22, 2019, <https://www.nytimes.com/2019/10/22/climate/desalination-water-climate-change.html>.
- 459 Strobel, Gordon, and Schwartz, "Saudi Arabia, With China's Help, Expands Its Nuclear Program."
- 460 Interview, anonymous U.S. official by Greer, August 15, 2020.
- 461 Strobel, Gordon, and Schwartz, "Saudi Arabia, With China's Help, Expands Its Nuclear Program."
- 462 "China Helping Saudi Arabia Expand Its Nuclear Programme," *The New Arab*, August 5, 2020, <https://english.alaraby.co.uk/english/news/2020/8/5/china-helping-saudi-arabia-expand-its-nuclear-programme>.
- 463 Interview, Jane Nokano, Senior Fellow, Energy Security and Climate Change Program at Center for Strategic and International Studies, by Lucille Greer, March 6, 2020.
- 464 Strobel, Gordon, and Schwartz, "Saudi Arabia, With China's Help, Expands Its Nuclear Program."
- 465 Mark Mazzetti, David E. Sanger, and William J. Broad, "U.S. Examines Whether Saudi Nuclear Program Could Lead to Bomb Effort," *New York Times*, August 6, 2020, <https://www.nytimes.com/2020/08/05/us/politics/us-examines-saudi-nuclear-program.html>.
- 466 Meshal Alkhowaiter, Li-Chen Sim, and Yoel Guzansky, "Saudi Arabia's Nuclear Program and China," Middle East Institute, July 9, 2021, <https://www.mei.edu/publications/saudi-arabias-nuclear-program-and-china>.
- 467 <https://www.nytimes.com/2020/08/05/us/politics/us-examines-saudi-nuclear-program.html>
- 468 "Kingdom of Saudi Arabia's Statement on the United States Withdrawal from the JCPOA," Royal Embassy of Saudi Arabia, May 8, 2018, <https://www.saudiembassy.net/news/kingdom-saudi-arabias-statement-united-states-withdrawal-jcpoa>; and interview, anonymous Chinese Middle East specialist #1 by Lucille Greer, March 18, 2019.
- 469 Interview, Zhao by Greer, April 12, 2019.
- 470 Interview, anonymous Chinese Middle East specialist #1 by Greer, March 18, 2019.
- 471 Interview, anonymous Western Official by Lucille Greer, April 10, 2019.
- 472 Chinese Mission to UN, "The US Draft Resolution on Iran Was Rejected Today by the #UNSC. The Result Shows Again That Unilateralism Enjoys No Support, and Bullying Will Fail. Any Attempt to Place One's Own Interest above the Common Interest of the International Community Is a Dead End. [Pic.twitter.com/qJryTv45be](https://twitter.com/qJryTv45be)," Twitter, August 14, 2020, <https://twitter.com/chinamission2un/status/129440236825631776?lang=en>.
- 473 Interview, Zhao by Greer, April 12, 2019.
- 474 [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1842141.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1842141.shtml)
- 475 "A Reappraisal of China-Iran Ties After US JCPOA Withdrawal," Jamestown, November 18, 2020, <https://jamestown.org/program/a-reappraisal-of-china-iran-ties-after-us-jcpoa-withdrawal/>.
- 476 Greer and Batmanghelidj, "Last Among Equals."
- 477 Interview, Zhao by Greer, April 12, 2019.
- 478 Interview, anonymous Chinese Middle East specialist #3 by Greer, April 1, 2019.

- 479 Interview, anonymous U.S. official by Greer, August 15, 2020.
- 480 Joel Gehrke, "US Warns Middle East Allies Not to Give China a Military Base." Yahoo! News, August 10, 2021. <https://news.yahoo.com/us-warns-middle-east-allies-190200274.html>.
- 481 Ellen Wald, "The United States and Saudi Arabia Aren't Allies. They Never Have Been," *Washington Post*, February 5, 2020, <https://www.washingtonpost.com/outlook/2020/02/05/united-states-saudi-arabia-arent-allies-they-never-have-been/>.
- 482 "National Defense Strategy," U.S. Department of Defense, 2018, <https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>.
- 483 Emma Ashford, "Great-Power Competition Is a Recipe for Disaster," *Foreign Policy*, April 1, 2021, <https://foreignpolicy.com/2021/04/01/china-usa-great-power-competition-recipe-for-disaster/>.
- 484 Shane Harris, "CIA Creates New Mission Center to Counter China," *Washington Post*, October 7, 2021, [https://www.washingtonpost.com/national-security/cia-china-mission-center/2021/10/06/fd477142-26d4-11ec-8d53-67cfb452aa60\\_story.html](https://www.washingtonpost.com/national-security/cia-china-mission-center/2021/10/06/fd477142-26d4-11ec-8d53-67cfb452aa60_story.html).










Woodrow Wilson International Center for Scholars  
One Woodrow Wilson Plaza  
1300 Pennsylvania Avenue NW  
Washington, DC 20004-3027

[www.wilsoncenter.org](http://www.wilsoncenter.org)

## Kissinger Institute

-  [www.wilsoncenter.org/kicus](http://www.wilsoncenter.org/kicus)
-  [china@wilsoncenter.org](mailto:china@wilsoncenter.org)
-  [facebook.com/KissingerInstitute](https://facebook.com/KissingerInstitute)
-  [@KissingerInst](https://twitter.com/KissingerInst)
-  202.691.4038