

China and the Middle East: Establishing a New Partnership

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***Abstract:** Since 1978, the relations between China and the Middle East countries have developed very quickly. China adopted the policy of reform and opening-up and decided to focus on economic development, modern culture and advanced technology. China is working to secure its energy supply in order to guarantee the rapid development of its economy and to secure a peaceful solution in the Middle East. Although cultural bonds between the Arabs and the Chinese have always been strong due to their old cultural ties, both sides still endeavor to strengthen these ties by a variety of means, including student-exchange programs and exhibitions. Both sides maintain good relations and they are developing normal state-to-state relations. Given the increasingly severe worldwide competition for Middle Eastern oil, the age of Chinese passivity in the Middle East is over. China will play an increasingly active role in the region, with the goal of securing its own energy security. The chief advantage of China's role in the Middle East area is her lack of political orientation. She is invited to assume her responsibility in the international affairs and try her best to create a new type of globalization which is more humanistic.*

***Key Words:** Diversity; Harmony; Reform and Opening-up; China and Middle East; Peaceful Solution*

I. China's Reform and Opening-up Policy

Since the foundation of the People's Republic of China until the end of the Cold War, the relations between China and the Middle East countries developed very quickly. In the mid-1950s, China had diplomatic ties with only a few Arab states due to the fact that they were under the influence of western imperialism and occupied with liberation struggles. China itself was an isolationist state at that time and was engulfed in many domestic issues.

The first diplomatic victory of China in the Arab world was its establishment of diplomatic relations with Egypt in 1956. In the 1960s, China developed strong ties with most of the liberated Arab states.²

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² Yitzhak Shicor, *The Middle East in China's Foreign Policy, 1949-1977* (London: Cambridge 1979). See also: Hashim Behbehani, *China's Foreign Policy in the Arab World, 1955-1975*, translated into Arabic by Sami

After 1978, China focused on economic growth, modern culture and developed technology. China's 1978 and 1985's reform and opening-up policy developed the Chinese society in all fields. She became one of the world's great trading powers. The new Chinese policy was oriented to pave the way for the political, economic and cultural exchange with the whole region of Arab countries.

After the Cold War ended in 1989, the relations between China and the Middle East came to a new phase, especially because of China's rising position in the international arena. In 2005, the growth rate of China's oil imports slowed by 30 percent, largely due to soaring oil prices, and China's overall dependence on oil imports slightly decreased. The Middle East currently provides over 45 percent of China's total oil imports. By 2015, 70 percent of China's oil imports is expected to come from this area. The last three years has witnessed great improvements in relation to the different interests between the two sides exemplified in the following ways:

- a). The establishment of diplomatic ties with all the Arab states;
- b). China's call to solve the Middle East conflict with peaceful means of negotiations;
- c). China's neutrality between Iran and Iraq in their wars of 1978-1990;
- d). China's position against the intervention of the Americans and their allies in the second Gulf War;
- e). China's recognition of Israel and its new policy to solve peacefully the long-term Middle East conflict.

This paper discusses the deep reasons of the new Chinese policy towards the Middle East, and its new perspective to increase the financial and technological transfer between China and Arab countries, in order to set up a free trade area and to exchange culture and technology.

II. China and the Middle East: Energy First

Since China's initiation of the economic reforms policy in 1978, she has enjoyed an almost 9% annual growth rate. From 1993, she became a big importer of oil with a daily demand of 5.5 million barrels per day in 2003.³

With her economic boom, China's Middle East oil policy has assumed considerable importance. Chinese passivity in the region ended and China is working to secure its energy supply in order to guarantee the development of its rapidly advancing economy.

Mousallem(Beirut, 1984); Isaac Deutscher, "Moscow, Peking and Arab Nationalism," *The Reporter*, Vol. XIX, September 4, 1958, pp.13-16; Eddine Nasser, *Mon'im: Arab-Chinese Relations, with special emphasis on Egyptian - Chinese relations 1950-1971* (Beirut: The Arab Institute for Research and Publishing), p.p. 13-25.

³ Abdel Monem Mahmoud Sawi, "China and Egypt", *People's China*, February 1, 1956, pp.17-19.

The recent growth in Chinese oil imports from Saudi Arabia has become very significant. The new economic policy gave China the opportunity to develop a very quick and large bilateral interest with Saudi Arabia. China also cultivated its relationship with Arab Gulf States as well as with Iraq and Iran. Since 1998, energy security has become a major Chinese consideration of her policy towards the Middle East.

However, before 1994, the Middle East accounted for less than 40 percent of China's oil imports. In 1999, China culminated with Saudi Arabia a "Strategic Oil Cooperation Agreement." The Arab Gulf States opened their domestic market to Chinese investments and allowed China to pursue upstream oilfield activities in Saudi Arabia.

In July 2004, the six Gulf Cooperation Council Finance Ministers visited China and signed a "Framework Agreement on Economic, Trade, Investment, and Technological Cooperation" with China and agreed to negotiate a China-Gulf Cooperation Council free trade zone.

China has surpassed Japan to become the second largest international oil consumer after the United States, accounting for 12 percent of the world's energy consumption, with a third of its supply coming from abroad. The International Energy Agency (IEA) predicts that over the next 25 years, Chinese industry is expected to account for over 20 percent of the expected growth in world energy demand. China currently imports 32 percent of its oil from the Middle East, a figure that is likely to double over the next five years. Its gas imports are projected to increase to 20-25 million cubic meters by 2010. ⁴

Iran and Saudi Arabia together now account for almost two-thirds of China's Middle East oil imports. The Arab Gulf States consider China and Japan as a preferred market and energy destination. The commercial aspect has also been enhanced.

However, China and the Arab Gulf States have mutually beneficial aspects. Both need greater liberalization to take advantage of the global business. China has expanded many billion dollars into the oil service sector since 2001. Its growing economic ties with the Arab Oil countries have included many agreements on economic, trade, investment, and technology, free trade zone, and cultural cooperation.

a). Saudi Arabia is still China's No. 1 trading partner in the Middle East. Both sides are working to increase a bilateral trade that was developed from about \$5 billion in 2002 to 15 billion in 2005, to an expected \$20 billion in 2010.

Topping the list of Chinese exports to the Kingdom are cars, textiles, processed and packaged foods, heavy industrial equipment and electrical products. Demand

⁴ Simon Henderson, *China and Oil: The Middle East Dimension Report*, September 15, 2004.

for Chinese cement is also high in Saudi Arabia with the government spending heavily on infrastructure projects.

It is true that the Chinese energy policy deals are simply a result of mutual economic interests. But, on the other hand, it is reflecting a new perspective and strategy on both sides. China and Saudi Arabia combine their joint economic cooperation with political relations of cooperation and mutual interests. They are intensifying their mutual business and investments more than any period in their modern history.⁵

b). China and Iran's relationship. China insists that "Iran's nuclear program must be resolved peacefully".⁶

c). China's Iraq policy has been an ambiguous perspective. In May 2004, China submitted to the UN Security Council an "unofficial" document recommending the withdrawal of the American and multinational forces from Iraq by January 2005.

The document was not adopted, but the resolution emphasizes a larger UN role in Iraq. China also seems to have a strong interest in Iraq's oil production, notably in the Kurdish northern Iraq.

d). The economic ties between China and Arab Gulf Countries have also led to closer relations in the political and economic relations. Both sides prefer a faster pace of economic rather than political reform. China is extending its interest in Middle Eastern energy resources. This reality is evidenced by many long-term oil and gas agreements that were signed between China and Arab oil countries. As a result, China's dependence on Middle East oil is increasing, and the Middle East may become the most important supplier of international oil for China.

III. New Perspective to a Peaceful Solution in the Middle East

China is relatively a newcomer to Middle East geopolitics. She has been not welcomed by the old big power in this area, namely the Americans and the Europeans. The reason is that the Middle East presents the world's largest oil and gas reserves and one of the world's most volatile areas of conflict.

But China is working to fulfill its growing energy needs and to profit from massive weapons sales to oil-rich regimes, regardless of the effect on regional stability, and the Iranian nuclear problem.

After the Bush administration showed its willingness to use military power against Afghanistan and Iraq, many Arab governments expected that the Chinese government would become a more assertive player in the Middle East in order to

⁵ Chietigi Bajpae, "China becomes increasingly involved in the Middle East", *PINR report*, March 10, 2006.

⁶ Nicolas Berry, "Why China Says 'No' to a U.S-Iran Confrontation?" *Foreign Policy Forum*, Archives, November 22, 2007.

counterbalance the American dominance. But China has not so far been able to play this role.

Both Chinese and American policies remain stable. Both countries seek energy security, oppose terrorism and support an Arab-Israeli peaceful solution.⁷

China is against any state sponsors of terrorism and any terrorist organizations in the Middle East. She condemned the Israeli invasion on Lebanon in 1982. She increased her presence in the Middle East and continued her endeavors to strengthen diplomatic, economic, and military ties with Iran. Moreover, China continues to assist the Arab partners with political, economic, and educational reforms and to encourage the peace efforts.

In July 2006, she supported the UN Security Council Resolution 1696, which required Iran to suspend its uranium enrichment until August 31, 2006, but she supported only minimum sanctions against Iran.

Needless to say, China does not wish to alienate the United States policy in Iran, which is one of the largest markets for Chinese exports.

She continues her traditional policy in supporting peace, stability, and nonproliferation in the Middle East. China continues to promote economic prosperity and peace efforts in the Middle East.

Finally, China has long been Syria's preferred arms broker. In May 2004, China dispatched technicians to help to expand Syria's medium-range Scud missile program. She has also transferred missile guidance systems, engines, and solid fuels to Syria and has assisted Syria in developing surface-to-surface ballistic missiles. In October 2005, the UN Security Council unanimously adopted Resolution 1636, which demanded Syria's full cooperation with an investigation into Syrian involvement in the assassination of the former Lebanese Prime Minister, Rafic Hariri.⁸

China is still supporting the Lebanese unity and sovereignty, the withdrawal of the Israeli forces from the occupied territories in Lebanon and Syria, diplomatic ties between Lebanon and Syria and the normalization of diplomatic relations between Israel and the whole Arab region.

China has strong relations with the legal Palestinian Authority, giving the Palestinians many kinds of material and financial aid. She also collaborates with Hamas which took over the administration of the Palestinian Governing Authority in March 2006, but which finds itself isolated in Gaza from the Palestinian authority in the West Bank.

⁷ Kumaraswamy P. R., "At What Cost Israel-China Ties?" *Middle East Quarterly*, Spring 2006, pp. 37-44.

⁸ Massoud Daher, "The Lebanese political crisis in the American era" (in Arabic), (Beirut) *As-Safir News Paper*, October 29, 2007, p.19.

IV. Arab-Chinese Cooperation in Environmental Field

At the 2nd ministerial meeting of the Chinese-Arab Cooperation Forum in 2006, the Chinese Minister for Environmental Protection Administration and the Arab League Secretary General signed a joint communiqué on environmental cooperation. Later, on 18 May 2008, a two-year executive program for cooperation between Arab countries and China was signed in Jeddah with a three day workshop on “Hazardous and Solid Wastes Management”.⁹

The program prepares a framework for the exchange of Chinese experts with Arab countries to work in hazardous and solid waste management.

In fact, all Arab countries are facing a number of obstacles, such as the shortage and pollution of water, limitation of fertile lands, random consumption of natural resources, and the expansion of modern urban areas in addition to deteriorating conditions of the sea and coastal areas. China supports the international non-proliferation policy, and she is working against all forms of proliferation of nuclear weapons.

However, many efforts failed to achieve a sensible improvement on the ground without an atmosphere of peace and security, a commitment to international law, political justice and implementation of the UN resolutions on the conflict areas in the region. The Arab countries are facing also an exceptional challenge of instability and conflict.¹⁰

Therefore, Arabs and the Chinese are contributing to the deterioration of natural resources, pollution, human suffering, poverty and poor living conditions.

In environmental policy, China, like all Arab countries, has now ushered in a brand new stage of development, as it embarks on the efforts to build a well-off society in “an all round way.” It was one of the negative results of confrontation between China’s rapid economic growth and the pressure on resources and environment. China proposes to optimize economic growth by environmental protection and achieve three new transformations:

First, overstressing economic growth against environmental protection and paying equal attention to both sides.

Second, the transformation from environmental protecting lagging behind economic development into synchronized advances of environmental protection and economic development.

Third, transformation from mainly relying on administrative instruments to protect the environment into using legal, economic and technical means combined with mandatory administrative measures to address environmental problems. The Arab countries hope to intensify cooperation with China in many fields as capacity

⁹ Samir Al-Saadi, “Arab-Chinese Cooperation for Environmental Safety Takes Off”, *Arab Sunday*, May 18, 2008.

¹⁰ SABAN Center: *The Rise of China: Beijing's Role in the Middle East*, October 6, 2008.

building in energy, technology, industrial common projects, agriculture, education, environmental protection, environmental policy management and green technologies.

V. Arab Culture and Chinese Culture: Harmony in Diversity

For a long time, clash and confrontation have existed between the Arab world and the West. The conflict between Arab and Western cultures has covered such fields as politics, economy, ideology, lifestyle, spiritual beliefs and ethical values. The conflicts and struggles between the two cultures have almost never ceased during a long history.

Samuel Huntington pushed this theory to the extreme attributing maximum human divergence and conflicts to cultural differences. In *The Clash of Civilizations*, he asserted that under the new situation, the causes of human conflicts are no longer ideological or economic ones, but the cultural differences or factors that differentiate civilizations. He argued that the "clash between the Islamic and Western civilizations in the future will be more intensified". This point of view is widely accepted by many Arab and Islamic groups. They keep sharp vigilance on "cultural imperialism" of the West in its ideology and stick to "an independent Islamic development road" in state strategy.¹¹

For Arabs, the main cultural problem is: How to meet the challenges of the times and realize the transformation to modern society? The Arab modern society is still in a period of change, seeking its own cultural features.

The strong and distinguished relations binding China and the Arabs have developed cultural relations in many fields.

The similarity between the Chinese and Arab conditions in the second half of the 20th century led to a state of solidarity between the two peoples, with both aiming at terminating foreign control, maintaining sovereignty and rejecting hegemony. Arab and Chinese issues were influenced by China's sustained support of Arab issues and its solid perspective to consolidate her relations with all Arab countries. A number of joint agreements were convened between the two sides, stressing the importance of strategic cooperation and rapprochement in cultural and scientific fields.

The Arab countries were pioneers in acknowledging the legitimacy of the People's Republic of China and supporting its representation in the United Nations. In the area of economic and technological cooperation, China and the Arab countries have exchanged expertise extensively in a way that multiplied trade exchange between them to more than 20 times its level at the start of the Chinese

¹¹ The last "Arab-China Dialogue on Civilization" was held in Riyadh, on December 2, 2007.

economic opening-up policies. Cultural bonds between the two sides have always been strong as a result of old cultural ties, though both sides endeavor to strengthen these ties by a variety of means, including student-exchange programs and exhibitions. Both sides maintain good relations and they are developing normal state-to-state relations.

Since 1978, China has decided to focus on economic growth, modern culture and developed technology. The economic, political and cultural cooperation between the both countries are still playing a very positive role.

Recently, a new platform for dialogue and cooperation was created between China and Arab civil society associations or leagues of friendship and cooperation. Many associations are working together between Arab countries and China on the basis of respect, equality and mutual benefits. Both sides maintain good relations and they are developing normal league-to-league relations. An executive committee was also created in Khartoum on August 20, 2008 in order to organize the Arab-Chinese cooperation on the basis of bilateral interests between all of the Arab and Chinese leagues or associations of Friendship. They are working for peace and facilitating dialogues towards this goal. Different peoples of China and Arabs respect each other. China respects Arab diversity in their independent countries.

In this perspective, the critical relationship between dialogue and cultural diversity has shifted: cultural diversity is no longer a defender of traditions, and dialogue provides access to the world's cultural resources and has become synonymous with modernization.¹²

In the last few years, Arabs and Chinese had many cultural dialogues such as: the dialogue among civilizations: between theory and practice, dialogue among civilizations for coexistence: partnership for humanity, dialogue among civilizations and cultures, dialogue among civilizations: diversity within the framework of complementarities, dialogue and coexistence among civilizations and cultures, dialogue among civilizations in a changing world, Chinese and Arab contributions of the human civilization towards enhancing the values and principles of human rights, political aspects of dialogue among civilizations, peace, concord and human values from an Arab and Chinese perspective, education for tolerance and the freedom of religion in China and Arab countries, the mutual image of Chinese and Arabs in textbooks of both countries.

Finally, these dialogues are based on modern Chinese and Arab educational, scientific and cultural organizations that are undertaking actions to redress the image of Arab and Chinese on both sides. Mutual publication of books and studies are needed in order to develop the cultural relations between Arabs and the

¹² Jon Altermann, John Garver, "The Vital Triangle: China, the United States, and the Middle East," *CSIS Washington*, May 2008.

Chinese in the new global era. China has improved its relations with all members of the Arab League in order to set up a free trade area and to exchange culture and technology.

VI. Towards a New Chinese Perspective and Policy in the Middle East

Without the reform and opening-up policy, Chinese society would not develop in the present form. China has become one of the world's great trading nations. The Chinese policy has urged Arab countries to increase their financial and technological transfer to Chinese markets for the mutual interests of countries concerned. There are many signs of a greater willingness on the part of China to assume responsibility in international affairs and a greater ability to create a human kind of globalization. Chinese companies provide technology, economic cooperation and scientific assistance to Iran and all Arab countries.

China can have an alternative image in adopting a new perspective and a new policy. China should fight against proliferation issues, enhance her presence in all the Middle East countries, invest in Iran's oil and gas industry, encourage trade and economic relations with the Middle East, promote the rule of law and civil rights in China as well as in the Middle East, adopt a partnership policy and organize international support for peaceful solution in Iran and Palestine, and diversify energy sources.

Given the increasingly severe worldwide competition for Middle Eastern oil, China's aggressive energy policy poses a serious threat to US energy security. Dependence on Middle Eastern oil also means that the United States is potentially vulnerable to the erratic policies of Arab energy suppliers. The age of Chinese passivity in the Middle East is over. China can play an increasingly active role in the region with the goal of securing its own energy security. This does not mean that Chinese and American policies will necessarily be at odds. China understands and cooperates with the United States against proliferation and terrorism in the Middle East.

However, the chief advantage of China's role in the Middle East area is her lack of political orientation. As China's agenda is well dictated by economic interests and her ideological differences with the United States. China is invited to assume its responsibility in the international affairs and its greater ability to create a new humanistic kind of globalization.