



CHINA'S GEO-ECONOMIC INTERESTS IN THE MIDDLE EAST

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Abstract

China is a relative newcomer to the Middle East region. Indeed, as it is not in China's immediate neighbourhood, for a long time its importance to Beijing remained low. This began to change in the early 2000s. Due to its impressive economic expansion, marked by joining the World Trade Organization in 2001, China's energy consumption growth rate accelerated, making the energy-rich region increasingly crucial to China's energy security. Thus, the destabilization that came to the Middle East with the Global War on Terror declared by the United States as a result of the 9/11 terrorist attack, endangered its interests. At the same time, however, having significant Muslim minorities of its own, China was keen to maintain the security of its Muslim-majority provinces and used the GWOT as justification for curbing the threat of its internal, separatist "Islamic terrorism". Eventually, then, to accommodate its growing interest in the region, China expanded its "greater neighbourhood" to include the Middle East as well. Presently, while still not a key partner for Beijing, the region is one of the main suppliers of China's gas and oil, an increasingly important export destination, a territory of continuous construction activity of Chinese companies under the Belt and Road Initiative (BRI), and an object of a large-scale Chinese charm offensive. Slowly, it is becoming an object of Beijing's security interests as well.

Keywords: China, Middle East Region, Muslims, United States, Economy.

China and US Power Game

China aims to develop friendly relations with everyone at regional and global level. Thus, in the past decade, it has become an active player in the Middle East. Though,



it is a newcomer to the region but it has successfully attained a prominent position for its healthy international relations. Also, it is extremely cautious in developing international relations and to deal with political and security challenges. China had never believed on war games rather it aims to create its soft influence over the region and develop healthy relations with everyone. For this purpose, it has been helping different countries at regional level at difficult times. The greatest examples are China's involvement during Arab Spring, when the entire Middle East was under a fire. During that time China's help proved to be a blessing, with which the states stood against the US involvement and tried hard for their sovereignty.

Currently, China has been increasing its engagement with the Middle East and is struggling hard to develop friendly bilateral relations at regional level. The basic purpose of this engagement is strong regional relations and economic benefits. In the past few decades, US involvement in the Middle East has remained at headlines of the newspapers. As a super power, US wanted to build its strong control over the MENA region for being rich in resources and speedy economic growth. Initially, the United States starts implementing several restrictions over those nations, resultantly either the nations remain unable to use their own resources or have to work on the US agreements to keep the powers happy and continue earning through resources. In case the nations do not obey the US agreements and restrictions, they face war type conditions and counterinsurgencies, as happened with Iraq. In such scenario, China was unable to expand its regional relations with Middle East, as US dominance over the region worked as greatest barrier. Thus, China started its strategic actions to help the Middle East via hidden ends and provided great funds and military weapon support to the states to fight against the US Power. Gradually, US long-standing dominance started showing a decline and Chinese involvement got significant rise. People of Middle East also started trusting China for its friendly and peaceful foreign policies and shook hands for further bilateral relations.

The Middle Eastern countries are aware that their resources are the greatest strength for them, but the political leaders of the countries are also aware the upcoming threats associated with their resources. They are aware that international powers will never be happy and satisfied with their development through oil reservoirs. Especially, the involvement of US, Russia, and Israel is very prominent after Arab Spring and Iraq War. In such scenario, Middle Eastern countries find China as the greatest support to stand strong against the European Powers. Also, these countries have changed their policies related to oil price and export to the International powers and trying to keep a balance between threat and the blessings associated with their resources. They have made several economic investment associated agreements with China to improve their regional stability and political dynamics in the medium to long term. At one end they are under the negotiation with the International powers regarding their resource strategies. On other



hand, they are developing healthy relations with China to improve their economy growth and using their oil revenue for the improvement in their water, electricity, taxation, and loans sector.

China's involvement in the Middle East has also contributed to a wave of competition at world level, where European policymakers are unable to understand China's political and regional interests for investing in the Middle East. However, the analysis of literature reveals that China's relationship with the Middle East revolved around energy demand. China is currently working on multiple projects, for which it needs oil and other resources. Especially, for being most populated country, China needs electricity and oil resources to meet its public demands and enhance quality of life of its nation, and that demand is fulfilled by its healthy relations with Middle East. Also, to enhance its exports to the Middle East, logistics proved to be greatest barriers, for which it started One Belt Road and gave a smooth path to the traders and exporters. This not only reduced its travel expenses but also opened doors of exports to many new areas, which resulted as great revenue and economic benefits.

China's objectives are different, as it is more concerned on economy growth rather than power control over the regions. China wants to be the strongest country, based on its international relations, regional power, and economy growth. It is aware that future is all about economy race, where the survival will be only possible with improved research and development sectors, investment in industries, and greatest revenue in terms of exports and other economic investments. Therefore, China works on the principle of bilateral relations and soft power influence through which it provide some benefits to the developing region and get maximum output in terms of regional influence, control over revenues, and economy strength. According to the statistics of Deutsche Bank and IMF, Libya can manage its domestic budgetary with the price of \$184 per patrol barrel, Iran \$131, Algeria \$131, Nigeria \$123, Venezuela \$118, Russia \$105, Saudi Arabia \$104, Iraq \$101, UAE \$81, Kuwait \$78, and Qatar \$77 per patrol barrel . These statistics show that Saudi Arabia can manage its domestic budgetary very well if the petroleum price is \$104 per barrel. That is why now, with the petroleum rate of \$50 to \$70 per barrel, Saudi Arabia is facing great economic and domestic budgetary challenges. Now, oil is China's major demand to work further on its multiple projects and therefore it has no other option but to develop bilateral healthy relations with the Middle East regions and enjoy great oil supply at least payable rates internationally.

China's Bilateral Relations with Middle East

China's geo-economic interests in the Middle East also became prominent when, in 2015, China official became the global biggest importer of crude oil. Before 2015, US involvement in the Middle East and its dominance over the region was the greatest barrier



to China, where it had to make some strategic moves to fulfill its oil demands. Finally, China started developing healthy relations with Middle East and provided funds and weapon support to fight against the US forces and stand strong. This strength was crucial to prevent US influence over the regional resources and convince them to increase their oil supply to China without any fear from the European Powers. For this purpose, China also made several industrial investments in the region and worked on the bilateral relations, where the benefits were for both. This helped the Middle Eastern region to enhance its economy position and stabilize its GDP, whereas China became the biggest crude oil imported and successfully getting half of its oil supply from the Middle East. Further, to avoid barriers in supply, China started One Belt Road and connected its cities to the Middle Eastern region directly, where the security and logistic supply is managed by Chinese companies.

China's geo-economic interest in the Middle East is not one-sided; instead it is a bilateral relation, where the benefits are for both. Oil reservoirs have proved to great blessing for the Middle Eastern countries, and have made them richest amongst other countries, including European countries. Also, these countries are earning great through their oil resources due to which they remain on the target of most developed European countries, such as Russia and the United States . The oil resources enable them to earn independently and to show their strength as a rich and strong country at an International forum. This raises several conflicts between the resourced countries and the international powers. Thus in this way the resources become a curse for the countries and thus they came under the control of powers, otherwise face great destructions within the region . Thus, Middle East needs a strong support to stand strong against the European Power and strengthen its regional power. Also, the oil reservoirs will only be beneficial for the Middle East when there will be importers of crude oil. It is similar as a shop keeper has significance due to consumers who purchase his products. Thus, without exports of crude oil to the rich countries, Middle East can never gain benefits from its resources. In this way, relationship with China brings great benefits to Middle East from all sides; increasing exports, improving revenue through crude oil production, strengthening regional existence, and creating barriers for unnecessary European dominance over the region. In this way, the relationship of China and Middle East is bilateral and both parties are enjoying great benefits out of it.

Jonathan Fulton argued that China's geo-economic interests in Middle East reflect its soft approach towards the foreign policies, international relations, and bilateral agreements. The country, China, has been engaging in different agreements, which aims to bring benefits for both nations. Some of these government agreements between China and Middle East are "Arab Policy Paper" in 2016, and "Vision and Actions on Jointly Building Silk Road Economic Belt" in 2015. The aim of these major projects is to establish cooperation between Chinese government and the Middle Eastern government,



and gain great advantages in return. Furthermore, their bilateral relations are focused on energy enhancement, infrastructure development, trading, industrial investment, regional strength, enhanced security, and healthy International relations. Though security cooperation is barely mentioned in any of the agreement, but it is clear that Chinese involvement in Middle Eastern region is to weaken the European influence in the MENA region and gain its geopolitical goals in return.

Developing regional relations with China is also a preference of Middle Eastern countries. This is crucial for them to reduce US involvement in the region, get rid of European dominance, and enjoy regional peace. Thus, the geo-economic relations with China are expected to improve security situation within the Middle Eastern region, as Arab Spring and US invasion had caused great destruction in some specific Middle Eastern countries. The prominent example of the resource curse is the oil and gas resources of Iraq, which had been enjoying its great significance in the International market and was using its revenue to strengthen its military and weapons. However, the US took this as a great threat to its sovereignty and restricted Iraq from purchasing equipment and nuclear material from other countries. Finally, when the US observed the unstoppable success of Iraq in the purchase of nuclear equipment and strengthening military power, it established a unique strategy against Iraq. It used Iraq's nation against the leader of that time 'Saddam Hussein' and then invaded to end terrorism in the region. Resultantly, the US military insurgency destroyed the entire region and now Iraq is facing the worst war time condition, and no resource can help it to come of its social security threat . Now, there is no other option left for these countries but to shake hand with the strong regional allies and get military strength against the US forces. Therefore, Iraq and other Arabian countries got involved in Chinese agreements, and demanded military support from the. In return, Chinese provided great funds and military equipment, which was used to fight against the US forces. Also, Chinese provided gorilla war training to Taliban to stand strong against the US forces and defeat them in a unique way. This all was not possible without Chinese cooperation, and in this way bilateral relations with China are also the major choice of Middle Eastern region for the sake of their regional sovereignty .

China's Neorealism and Geo-Economic Interest in Middle East

With the passage of time economy is becoming the major factor of international race, where neorealism pays more attention to the shift of economic power for the sake of balance of power over time. Previously, the offensive realism has remained the major focus of the super power, the United States, and therefore their investment on military strength was too prominent. However, now the neorealism has overcome the offensive realism and now countries are more focused to invest in economy associated projects and thus develop bilateral relations for economic benefits. Robert Gilpin also argued that



economic power overweighs the military or diplomatic power, and therefore the countries are now focused to improve their GDP growth. Middle East and China are also some of the regions who want to get rid of US military involvement and dominance of international powers. They work on the principle of economy associated benefits, for which China invests in Middle East's industrial region and get discounted crude import on terms.

China understands that its success is hidden in becoming economic power, and therefore it has created its soft image worldwide. It initially started improving its industrial region within China, for which it encouraged its nation to work day and night, and motivated every individual to play their part as responsible public. This helped China to become a strong industrial region, where people have struggled made it highly strong exporter of international market. Now, almost everything can be constructed in China, where the big brands are also investing in Asian region to get cheap labor and enjoy purchase of equipment for China. Not only this, but also China started investing in its neighboring countries to develop healthy relations at regional level. China understood that it has to be strong against European alliance, and for that it requires strong support and cooperation at regional level. Thus, China invested in different industrial and economic projects not only inside the country but also at regional level, which also strengthen its relationship with the neighboring countries. It started investing in Pakistan via "Silk Road" and currently it invested huge amount in economic corridor (CPEC), with which it aims to connect China to entire Asian region till Afghanistan. In this project, China invested huge amount to build a road connection, which is being used to export its products at regional level, and import the other resources to China without extra logistic expenditure.

Along with these all project; China aims to establish strong connection with Middle East to increase its regional influence and ensure availability of oil resources. China understands the MENA region is filled with rich resources, where some of Arabic region are major attractions for the travellers, including Dubai, Saudi Arabia, and other such regions. Due to high flux of tourists, the income of these regions is very high, and so China also aims to invest in such industrial regions to enhance its consumers and gain economic advantages in return. Also, the demand of bilateral relations is one to one ratio of benefits, where China is getting crude oil and gas resources and provides great industrial investment and fund support to the Middle Eastern markets.

Previously, the offensive realism had always focused on the power influence. The United States had always been following the same pattern to show its dominance over other regions. Being super power, US have always indulged in military strength and invasion in countries to keep thing under control. The major examples of such power influence are World Wars, through which the United States aimed to create its strong



influence over the region and wanted to increase the territorial limits to become the Super Power. Such strategic actions and military strength reflect US's power game. However, China had never been in favor of power game and always focused on developing healthy relationship at regional and global level. It brought a concept of soft power as neorealism, which encouraged the nations to start economy based relations and collaborate with each other peacefully. As each power aims to improve its economy advantages and struggle hard to become the economic power in the neoliberal era, so the power sum is zero and every powerful country is enjoying a better International state. Thus, this balanced power distribution contributed to the zero-sum game for the regional and global hegemony, and no one is now interested in War.

Chinese ideological approach of soft power and geo economic strength is not new; instead it started in 1970s when China established its foreign policy based on economic outcomes. Chinese foreign policy is not about creating power influence rather it aims to help the nations and establish bilateral relations to gain economic advantages. This approach contributed to expand its global economic footprint, due to higher advantages to every nation and less adverse global impacts. Also, China's craving to become the most powerful industrial zone enhanced its requirement of oil and transportation, for which it could not rely on its personal reservoirs. Initially, China used its personal resources to strengthen its industry, where every individual was encouraged to participate equally for the national development. Gradually, China started establishing regional relations through multiple projects, where it expanded its industrial investments and provided significant funds to the developing countries. This fund was used for strengthening the economy of developing neighbors, whereas in return China expected a regional cooperation with availability of resources, required for its economic growth.

The struggles for becoming the economic power and investments in region for the sake of geo-economic interests also reflect China's dreams to become the super power. It is expected that China will be the next super power due to its strengthened economy and soft power influence over the world. Although China has not yet achieved the position of US as global power, but its rapidly growing political, economic, and cultural influence is remarkable. In recent years, China has achieved great success in global economic growth. China's economy consists of \$1.8 trillion in foreign currency reserves and now China is planning to invest internationally via its sovereign wealth fund. China's need for the commodities, from oil copper, has raised the world prices. China is also a major trading partner of different countries such as Brazil, India, South Korea, Japan, and Africa. Interestingly, China's trading with India is one of its South Asia's biggest trading destinations. In 2010, trade between Africa and China rose from \$2 billion to \$130 billion. This reflects how China has gradually achieved a remarkable economic position at regional and global level. China is further investing in multiple regional projects to improve its economic outcomes, and create a regional giant with which it will become



the strongest power in the world. Though, China has never given priority to war, but it does not mean it has left the military strength behind. It has established a great weapon industry, through which it has manufactured powerful weapons to give response to the enemies with great strength. It also provides funds and weapon aids to the regional countries to fight against the European invasions and stay strong with China and work on the principle of two sided benefits. The same strategy was used for the Afghanistan, and now for the Middle East, where China is using its neorealism to enhance its economic power and providing great weapons and war funds to strengthen Middle East against the United States .

China's Industrial Investments and Geo-Economic Goals

China's President *Xi Jinping* aims to expand their bilateral relation at regional level, and then at global level with great expansion of its industry and growth to the economy. Such steps have left global economic footprint and contributed an economy race. Almost every country is now trying to improve its industrial, research and development, and architectural sectors. Also, the global economic footprint enhances China's stakes in strategic sector, as well as its desire to become the regional and global power.

Since 2008, Xi's struggles majorly aim to establish strong regional relation with Asia, and now with Middle East. This shows that China is not going to stop at regional level only; instead it will expand its services for African and then European region to become the global power. It is even clear with its global trading, through which it is expanding its relations with all those alliances, who stand against the United States. In 2011, China's trade volume with South Korea increased to \$ 220 billion and it is expected that the trade volume will reach to \$300 billion by 2015. The trade volume of China-Japan also reached to \$340 billion 2011. China's GDP is growing day by day and have become five times then the GDP in 1979-1998. The current China's GDP is about US \$8.227 trillion .

China's major geo-economic interests also reflect Xi's major objectives of becoming the riches and economically strongest country to make all other powers less effective and dependent over China's finances and productions. China was the first country who voiced the slogan of constructive engagements in the world and this idea was presented by China's president Xi Jinping. South Asia, being a neighbor, has some significance in increasing the constructive engagements agenda. This agenda is evident of the active leadership of China in South Asia. China announced different investment packages and programs to enhance trade for South Asian countries and became actively interested in Afghanistan for the development and building of peace in Afghanistan. After the agreements with South Asian countries, China focused to work with Pakistan and started many projects in areas of investments in Pakistan, such as CPEC, with which it



aims to gain access to almost all countries within Asian region and strengthen its industrial, as well as military power. Healthy relations at regional level will enable it to move its military anywhere freely and get access to any region without any barriers, which will strengthen its military power too. However, Xi's objectives are not to influence the world by war strategies; rather he is in the favor of soft power where the influence is created by keeping others economically dependent over China.

The pursuit of economic power in Xi's geo-economics can also be found in the "Going out Strategy" which reflects the actual purpose of regional expansion of the China. The strategy aims to expand industrial zone of China throughout the world to make countries more dependent on its production and labor facilities. It aims to enrich China's global presence with huge investments in almost every region of the world. Currently, China has been investing in almost every region, including England, Germany, France, Eastern Europe, Asia, Africa, and now Middle East. China understands the future is all about economy and therefore it has strengthened its industrial zone, and made almost all big industries dependent over it for the manufacturing products. Currently, all big and small companies purchase equipment and parts from the Chinese industry and assemble them to further manufacture their products. Such a huge footprint of China has elevated its position as most powerful economic entity in the world .

Now, China has a vision of a multipolar order in the Middle East, on the basis of which both nations will promote stability through "Development Peace" agreement. For the sake of stability and peace in the region, each country should play a positive role to ensure equality of status, opportunity for progress and prosperity will all other countries. It assures that economic development is the major source to advocate the stability and peace in the regions. The goal of China is to ensure the security, peace, economic growth and development by actively cooperating with the neighbours. However, to make its position stronger globally, China needs to firstly develop its relations with its regional countries. If China's relations at regional level will be stronger, then all the countries will trust on China's investments for their development and as a result it will leave great impact on international system.

For the stronger regional relations, China started a corridor establishment by which it can make stronger relations at regional levels and once it will become stronger regionally then it will nail its success at internal level and then no one will be able to defeat China. Somehow, for the establishment of regional relations, there are some issues.

According to the researches, 74 to 79% regional projects of China which started in 1990s have been fallen to 60% which shows the either the Chinese projects were not finished timely or are still in progress .

This indicates the rate of success of Chinese investments and also the quality



maintenance. Now these ineffective investments of China have become headlines of the world because these investments has cost \$10 trillion to China out of which 62% investments of China were wasteful which is equivalent to 6.8 trillion. It was considered regionally that when China invest in developed countries, such as Australia or US, then it uses the expert labour and follow the legal structure but when China invest in developing countries, such as Pakistan or Afghanistan, then it is not concerned with the quality of work rather it follows the low cost and quick approach parameters. Similarly, now China is seeking to invest in different projects of Gulf and India to gain access to their raw material. As discussed by a senior analyst, the use of Chinese foreign investments contradicts to the paper work issued by China at the time of agreement of the projects. In the last decades, the bilateral investments of China in Africa have been opaque in nature. On the other hand, in different project stressing on Chinese services and China has brought labour from mainland and the salaries and sustenance are paid to their families in China directly and this is paid from the package of investments.

In this way, China is getting full benefit of the investments in other countries indirectly. When China is involved in Africa, America, Pakistan and Afghanistan then its neo-imperialist role is discussed by analysts. In 2006, China took advantage of Afghanistan's mineral deposits opened by President of Afghanistan. China also took advantage of Afghan's natural resources when Karzai opened the foreign investment projects. When the whole world was busy in world war at that time the China was working for economic imperialism. The analysts further stated that China made FATA agreement regionally just to control and facilitate the operations against the terrorism and also for the sake of the control on East Turkestan Islamic Movement.

China's Impact on the International System

China is one of the largest peace keeping contributors to UN missions . According to the records, China has been committed to 267 treaties and has joined 130 international organizations . China has now become international nonproliferation regime's constructive member . As China is now acting globally, so it has to follow the international system which is developed by the Western powers. With a commitment to equality of states, international law, international affairs democratization, and its peaceful rise, China views the World Trade Organization (WTO) and United Nations as helpful for the promotion of its strategic principles and goals. China is also confident that its role in UN Security Council as a veto-wielding member will provide the reassurance to China that these institutions (World Trade Organization and United Nations) will not affect its national interests and sovereignty .

China is not much comfortable with the current international system due to the current US alliance-based security structure in Europe and Asia. On the other hand, China



is not apposing US or others in East Asia which supports the structure maintenance. Instead, China is now supporting the Asia's development, confidence-building, regional security and cooperation. China has also joined the dialogue arrangements to enhance its economic advantages, international voice, security cooperation and international confidence-building . According to the observers, in East Asia, China is trying to destroy the US alliances' importance for international security. China's involvement in ASEAN and Shanghai Cooperation Organization are the examples of this intent. Also, China's substantial financial and political commitment for the development of the region's financial system is considered as a challenge to the United States' dominance in the International Monetary Fund (IMF). China is now bit confused to join the groups such as the International Energy Agency and Group of Eight (G-8) because there was a time when China thought the rules of these institutions are not helpful for the establishment of China .

China always tried to keep itself focusing inward, low profile, and reassuring the implications of China's rise has become hurdle to challenge the old institutions or for the development of new global institutions. Somehow, the international community has taken steps for the encouragement of its integration for the development of new global institutes or to challenge the global institutes . China's policy for the direct competition with IMF and its policy of unconditional foreign aid has become a most important questions about impact of China on the international system which is promoting the development and justice of good governance, environmental protection, labor and human rights .

However, China's principle of development is not the only universal model, it does not fit to all the nations and each nation should decide its preferred developmental path . China's growing influence and principles does not need an impact. The development model of China has achieved currency because of its apparent success. Finally, China has demonstrated some disinclination for the acceptance of some international standards which has become a question mark about China's consistent commitment to unspoken and spoken rules of the current system. China also took US complaints of WTO against China in political terms rather than a legal matter of economic intercourse . In 2001, a US spy plane was targeted by Chinese fighter and was forced to land. Also China caught a US flight crew for about 2 weeks on Hainan Island. An agreement was implemented to regulate US and Chinese forces interactions in international space. In 2007, China launched an antisatellite weapon but it failed to provide acceptance at international practice because it may be a risk for other nations' assets. China also denied US permission for the development of port in Hong Kong .

Whatever, the conflicts may be but the reality is that China is developing day by day and its development is a great challenge for the other super powers. China's economic growth and trading volume growth, regionally and internationally, is making it stronger



and even strongest all over the World. That is why China's Rise has become the focus of World's analysts and reporters. Everyone is keeping an eye on China's next action. China's development model may not be a universal model but it is reality that it has influenced the world in an effective way and we can call it as the inspirational model. Now China's investments in different countries are making it stronger and the strength of China is affecting US and Russia's repute which obviously cannot be tolerated by super power or even we can call them previous super powers because China is the super power of the future.

China as Soft Power in the Middle East

The bilateral engagement between China and Middle East is not new; instead it has history of over 2000 years. However, this relationship has been smooth. In 1955, first kindled bilateral interaction was established through Bandung Asian-African Conference. Arab Spring and Chinese Cultural Revolution disrupted these relations and both parties could not resume their interaction until 1970s. Finally, in 1990s, China and Middle East started improving their regional relations under leadership of Deng Xiaoping. This interaction was more established on the basis of economic interests, as China's rapidly growing economy enabled it to offer multiple products and opportunities to Middle Eastern countries. In return, Middle Eastern Countries helped China to energy resources requirements.

A report by BBC News (2011) reflected that during the Arab Spring, US and other international powers have been showing their great influence in Middle East. The main purpose of this influence was to break power of the Middle East and get proper access to its oil resources. Such involvement led to severe conflicts, such as Syrian conflicts. However, Russia and China had been playing friendly role to support Arabs and develop better relationship with the. Russia and Syria had remained strongly allied in major areas so weakening Syria could help Russia to maintain its power at regional and international level. Initially, Russia supported the government of Assad via all type of material, technical and political support. This was because the Assad government had also helped Russia to deal with the terrorism in the region. However, later, with its political, economic, and social benefits, Russia started funding the anti-military forces and provoked them to remain involved in anti-government activities. This proved China's loyal approach towards Middle East and reflected its soft power structure. China has never tried to take control over things rather it focuses on developing bilateral relations with nations and to get benefits in return. Similarly in the Middle East, China played a significant role in supporting the government to gain its economic interests in the region and beyond .

China understood that Middle East became deeply embroiled in military conflicts



by the US and thus it started supporting them with equipment and resources to remain strong. This also fueled positive relationship between China and the Middle Eastern countries, where both worked on the economic interests. China also established a new forum, named China-Arab States Cooperation Forum (CASCF), in 2004 with the aim to exchange views between China and Middle Eastern countries and promote cooperation in culture, politics, trading, technology, and international affairs. Another purpose of this forum was to advance peace and development. This forum worked as an important mechanism to enhance the bilateral relations between two parties, facilitating trade, and cooperation between them. The best thing about the China is that it has consistently upheld its official rhetoric of nonintervention and non-interference in the regional internal affairs. China works on the principle of giving and taking without imposing power or using weapons. This strategy of China leaves its soft image to the world.

Recent Dynamics in China–Middle East Relations

China is having a very significant political and global position now, due to its increasing economic power and better bilateral relations at regional level. China is trying its best to be the next Super Power of the world, but for that it never used any war strategy. The major difference between China and the United States is the use of power, where the US has been using its military power to have control over nations but China use bilateral relations to influence the regions. Xi proposed “One Belt One Road” Project in 2013 with the aim to connect major countries in the Middle East and to expand China’s diplomatic and economic influence in the region. Through this road, the countries can easily export and import their product rapidly and safely.

The OBOR is expected work as the driving force to tie two parties; China and the Middle East. With this project, Xi aimed to connect over 100 countries for the sake of bilateral benefits in trading, economy, and nuclear projects. However, after the complete negotiations and meetings with the countries, 40 of them signed bilateral agreement with China to jointly build One Belt One Road. For this project, China invested its \$50 billion at the beginning in 2017, and is expected to invest more in future. Through this road, China will be connected to Israel, Turkey, Saudi Arabia, Iran, and many other countries. Through these projects, China has also been helping many countries, during the disasters and war scenarios. This reflects his positive approach towards International relations and its Soft influence over nations. With such positive and soft approach, China has been gaining power and control over the region, where countries are becoming more dependent on China for their economic, political, architectural, and social decisions. Now, almost everything in market belongs to Chinese manufacturers and this reflects how it has been creating its influence in global market.

In the beginning of twenty first century, China had understood that growing



political and economic interest has increased the need of urgency to enhance its relations with the Middle Eastern countries. It not only focused on the Middle East, but also started developing its relations with the Asian countries through multiple projects, out of which CPEC is the most prominent one. This project started between China and Pakistan with the aim to connect all regional countries and gain bilateral benefits from each other. CPEC is a massive project that is very important not only for the Pakistan but also for China from different perspectives. The very first interest of both countries are regional linking for better neighboring relationship with all.

Along with this, Pakistan expects for better economy, architectural, and social development through the projects associated with CPEC. A lot of projects are associated with CPEC, which will not only bring architectural development in Balochistan, Pakistan but also for the entire country by different means. These projects will increase chances of employments for the Pakistan's youth, as multiple road and rail projects will open opportunities of hiring Pakistani graduates and labor. CPEC aims to connect the Gwadar Port of Pakistan to the China's north-western Xinjiang province, for which China will invest huge amount for road construction, railway construction, and improvements at Gwadar Port. In this way, it will improve infrastructure of Pakistan, through which the country can export its products to regional country without wasting too much money on the transportation. Also, it will improve awareness amongst people, as well as bring advancement in educational sectors. Additionally, rising domestic challenges due to terrorism and threat by the Taliban push China to develop better relationships with Middle East and work on the principle of cooperation to avoid any security threat to Chinese nation.

A report was published by US Energy Information Administration (EIA, 2018) that since 2013, China overtook the US as the largest importer of the crude oil from the Middle East. According to the estimates, Middle East's crude oil is expected to account for the 70% of energy needs of China. Not only this, but also China's economic engagement with the region goes beyond the energy field. This data reflects how important it is for China to develop bilateral relations with the Middle East, whereas in return it has been providing the region with great military equipment support, and funds to deal with US invasions.

In 2014, China also proposed 1+2+3 model of cooperation in 6th Ministerial Conference of the China-Arab Forum. Through this model, China and Middle East agreed for the bilateral cooperation in investment, trade, and infrastructure. Along with this, both regions agreed to enhance their cooperation in the nuclear energy and space satellites. The targets are high and therefore China has been helping the Iraq with equipment and funds to fight against the United States and never give up against the power. After the US withdrawal, China proposed its investment projects in Iraq's oil Industry to not only



strengthen the region economically but also to make it more powerful for future. With this cooperation, China expects economic, trade, and nuclear benefits in return.

In the case of the Israel–Palestine Conflict, Xi proposed a four point approach to Mahmoud Abbas in July 2017 promoting political settlement of the issue. The four points are advancing the Two-State Solution based on 1967 borders; upholding the concept of common, comprehensive, co-operative and sustainable security, immediately ending Israeli settlement building, taking immediate measures to prevent violence against civilians, and calling for an early resumption of peace talks; coordinating international efforts to put forward peace promoting measures that entail joint participation at an early date; as well as promoting peace through development and cooperation between the Palestinians and Israel. Additionally, Xi also proposed a China–Palestine–Israel trilateral dialogue mechanism shortly afterward . Throughout the process of mediation between Palestine and Israel, China has consistently upheld the Two-State Solution and supported the establishment of a Palestinian state enjoying full sovereignty and independence on the basis of the 1967 borders with East Jerusalem as its capital. More widely, China has engaged in political consultations with a wide range of states and organizations like Turkey, Iran, France, Israel, the Arab League, the EU, the BRICS, as well as the UN in mediating peace in the Middle East.

China under Xi has clearly augmented its engagement with the region diplomatically at an unprecedented level. This diplomatic activism, however, should not be exaggerated as a hegemonic Chinese aspiration to replace the US in the Middle East. The very fact that China has consistently maintained its neutral position towards the Yemen Crisis, the Palestine–Israel Conflict, and the Syria and Libya Crises clearly shows China's efforts to avoid the interventionist US path in the region. On multiple occasions, Chinese officials emphasized that China had no private interests in the Middle East and the country stood ready to play a constructive role in the Middle East by upholding an unbiased and objective position on the regional affairs. In Xi's speech to the Arab League in 2016, he reiterated this:

Instead of looking for a proxy in the Middle East, we promote peace talks; instead of seeking any sphere of influence, we call on all parties to join the circle of friends for the Belt and Road Initiative; instead of attempting to fill the “vacuum”, we build a cooperative partnership network for win–win outcomes (Xinhua 2016).

In the same speech, Xi stressed that China would strive to be constructor of the Middle East peace, promoter of Middle East development, propeller of Middle East industrialization, supporter of Middle East stability, as well as a partner of Middle Eastern public diplomacy (N.D. 2017). The following year, Chinese Foreign Minister Wang Yi, further reiterated Beijing's stance at a joint press conference held with the Foreign



Minister of Palestine:

China has no geopolitical consideration in its role in the Middle East, nor intention to make a balance with any other country. We always propose historical justice and uphold international righteousness in the Middle East issue. China welcomes any country outside the region including the US that wants to support the Middle East more, and give more attention to the Palestine–Israel issue (FMPRC 2017).



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