



## China's Policy in the Middle East

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*This article examines China's evolving role in the Middle East, focusing not only on its economic expansion but also on energy security and strategic diplomatic efforts. Through trade, infrastructure investments, and technological collaboration, China has deepened its influence in the region, while maintaining a policy of non-interference. China's response to the Israeli-Palestinian conflict and its competition with the U.S. are also vital factors in shaping its approach. The article explores the challenges and opportunities China faces in balancing economic engagement with geopolitical pragmatism.*

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China's policy in the Middle East has undergone significant transformation over the past few decades. This evolution has been shaped by multiple factors, including the state's economic interests, concerns over energy security, and growing geopolitical influence. Since its initial systematic engagement with the Middle East at the start of the century, China has chosen to pursue a non-interference approach, mainly focusing on economic diplomacy, infrastructure investment, and fostering strategic partnerships with key actors in the region.<sup>1</sup> Additionally, China has leveraged soft power through cultural exchanges, media presence, and educational initiatives to strengthen its influence among Middle Eastern states. This multifaceted approach has allowed China to expand its diplomatic influence while at the same time maintaining a balanced and pragmatic stance in the region.

## **China's Strategic Vision for the Middle East**

Xi Jinping's vision for the Middle East seems to extend beyond mere economic cooperation. While trade remains a central pillar, China views the region as an essential component of its broader geopolitical strategy. Beijing is seeking to establish a Sinocentric global economic order to serve as an alternative to the Western-led system. This vision includes securing supply chains, leveraging energy resources, and expanding influence through strategic partnerships, particularly as the U.S. scales down its engagement in the region.<sup>2</sup>

China also aims to reshape the global financial system by promoting the yuan as an alternative to the dollar in energy transactions. The concept of the "petro-yuan" is becoming increasingly relevant, with China encouraging Middle Eastern states to accept payments in yuan rather than dollars.<sup>3</sup> This effort aligns with China's broader strategy to enhance its economic sovereignty and reduce reliance on Western financial institutions. At the same time, this approach is providing Middle Eastern states with an alternative to combat hostile Western-imposed policies, such as sanctions, proved by Beijing's close relations with Iran.

## **China's Evolving Priorities**

China's increasing influence in the Middle East is also evident in its technological investments. Through initiatives like the Digital Silk Road (DSR), China has expanded its presence in high-tech sectors, including 5G infrastructure, artificial intelligence, and surveillance technology. Many Gulf states have welcomed Chinese firms, such as Huawei, as they align with their national development plans, including Saudi Arabia's Vision 2030 and the UAE's Vision 2031.<sup>4</sup> This technological collaboration strengthens China's foothold in the region and helps diversify its economic engagement beyond energy.

However, China's growing economic presence has also sparked concerns over debt dependency and governance issues. Similar to cases in Africa and South Asia, critics argue that Chinese investments in the Middle East could create financial vulnerabilities for recipient countries. The Belt and Road Initiative (BRI) has faced scrutiny for its long-term financial sustainability and the political leverage it has granted Beijing over indebted nations in other places of the world. Several countries such as Sri Lanka, Djibouti and Pakistan have struggled with debts due to Chinese infrastructure projects. The problem begins when states take on unsustainable loans for BRI projects, leading to financial distress and, in some cases, increased Chinese influence over strategic assets. Pakistan's deepening reliance on China for its digital and energy infrastructure, including the development of the China-Pakistan Economic Corridor (CPEC) and Huawei's role in its telecommunications network, raises concerns over technological dependency, data security, and economic sovereignty. Nonetheless, the BRI is still considered an important opportunity for economic and infrastructure development in the region.<sup>5</sup>

China has not confined itself to economic matters, managing to maintain a delicate balance when it comes to its diplomatic relations, fostering ties with rival states such as Saudi Arabia and Iran, while--at the same time--avoiding entanglement in regional conflicts. For instance, China has played a mediatory role in the Saudi-Iran rapprochement, reflecting its broader ambition to position itself as a global peacemaker.<sup>6</sup> However, this engagement is primarily driven by economic pragmatism rather than

ideological alignment. By maintaining neutrality and avoiding entrapment in regional political disputes, China manages to secure its energy supply, strengthen its trade partnership, and further ensure its long-term economic leverage in the region.

### **China's stance on the Israeli-Palestinian Conflict**

Even though China has traditionally supported Palestinian aspirations, Beijing has maintained a cautious stance, emphasizing calls for a ceasefire and advocating for a two-state solution while avoiding direct involvement in the conflict. China has also sought to maintain strong relations with both Arab states and Israel.<sup>7</sup> While it condemned attacks on civilians, it has largely aligned with the broader Global South in criticizing Israel's military actions in Gaza. This response highlights Beijing's attempt to balance moral positioning with geopolitical pragmatism, ensuring it remains a credible partner for Arab states without alienating Israel.

China has also played an active role in the UN Security Council, supporting resolutions calling for humanitarian aid to Gaza and opposing unilateral Western-backed policies.<sup>8</sup> However, it has not taken a leading mediatory role, signaling its reluctance to assume a direct conflict-resolution position in a region fraught with historical complexities. This hesitation is consistent with China's broader cautious and measured foreign policy, particularly regarding political involvement beyond its immediate periphery. The crisis has reinforced China's positioning as an alternative to the U.S. in the Middle East. Beijing's approach contrasts with Washington's strong pro-Israel stance, allowing it to build closer ties with the Arab world while subtly challenging American influence in the region.

### **China's Broader Geopolitical Strategy**

China's policy in the Middle East also reflects its broader competition with the United States. As Washington reassesses its commitments in the region, Beijing has sought to fill the vacuum by offering an alternative model of engagement: one that prioritizes economic development over military intervention. This economy-first approach aligns with China's broader global ambitions, reinforcing its status as a key player in shaping the region's economic future. However, the Israeli-Palestinian conflict remains a potential fault line in China's strategy, as prolonged instability could challenge its efforts to maintain neutrality while advancing its interests. Moreover, China's selective engagement in regional crises raises questions about the sustainability of its hands-off approach in a region where political instability can directly impact its economic ambitions.<sup>9</sup>

Apart from the Israeli-Palestinian issue, China faces other challenges in its Middle East policy. For instance, the BRI can be both an opportunity and a risk. While projects in infrastructure, technology, and trade provide Beijing with economic leverage, they also expose China to regional instability. The expansion of Chinese companies and investments in the Middle East makes it increasingly difficult for China to remain detached from political crises.<sup>10</sup> The extent to which China can sustain its neutral, yet economically assertive stance will determine its long-term effectiveness as a major player in Middle Eastern affairs. Additionally, its competition with the U.S. will likely push Beijing to engage more deeply in regional issues, especially as it seeks to present itself as a global leader.

In recent years, China's role in the Middle East has steadily grown, driven by economic interests, energy security, and strategic diplomacy. While Beijing has maintained a neutral stance in regional conflicts, its increasing investments and partnerships across the Middle East point towards a rather clear political intention for deeper engagement in the future. However, China remains cautious about further involvement in the region and aims to balance its relationships with key players without alienating any side. As the U.S. reduces its presence, China is filling the gap with economic influence, but whether it will take on a more active political or security role remains uncertain. The success of its Middle East policy will depend on its ability to maintain stability, manage conflicts, and navigate regional complexities without compromising its global aspirations.

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