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# Middle East and North Africa-China Relations

March 23, 2023

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SUMMARY

The People's Republic of China (PRC, or China) has been expanding and strengthening its diplomatic, security, commercial, and cultural ties with countries in the Middle East and North Africa (MENA) region since the late 1990s. As in other regions, closer political relationships have accompanied the development of growing commercial ties between the PRC and the MENA region as China has emerged as a global economic power and strengthened its military. In March 2023, China brokered an agreement between Iran and Saudi Arabia to reestablish diplomatic relations, drawing global attention to the PRC government's greater willingness and capacity to engage politically in the MENA region.

Successive U.S. Administrations and many Members of Congress have raised concerns about the PRC's expanding global influence, including in the MENA region. President Joe Biden has referred to the PRC as the United States' "most serious competitor" globally, stated that the PRC government is challenging "our prosperity, security, and democratic values," and called on U.S. allies and partners to "prepare together for a long-term strategic competition with China." On May 26, 2022, Secretary of State Antony J. Blinken referred to China as "the only country with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do it." In January 2023, the House of Representatives voted to establish a Select Committee on the Strategic Competition between the United States and the Chinese Communist Party (H.Res. 11).

For their part, some MENA governments are exploring and embracing China's potential as an additional or alternative partner to the United States in some sectors, especially energy and trade. PRC-MENA security cooperation remains limited in comparison to the close and long-established nature of U.S. security partnerships with key MENA states, though China has relationships with U.S. antagonists such as Iran as well as U.S. partners. In August 2022 testimony before the Senate Committee on Foreign Relations, Assistant Secretary of State for Near Eastern Affairs Barbara Leaf acknowledged China's "growing influence" in the MENA region and identified related U.S. national security concerns. Assistant Secretary Leaf and U.S. defense officials have asserted that the United States will not leave a vacuum in the MENA region for China or Russia to fill and have indicated that the Administration has informed U.S. partners in the region that certain forms of security cooperation with China may jeopardize their defense and security partnerships with the United States.

In considering whether and how the United States might respond to burgeoning PRC-MENA relationships, Members of Congress might consider and debate whether the PRC's expanding presence, partnerships, and role in the MENA region inherently challenge or threaten vital U.S. interests. They may further consider and debate the appropriateness and feasibility of cooperation, competition, or de-confliction with China on issues involving the MENA region. Congress may conduct regular oversight to determine how U.S. diplomatic, economic, humanitarian, educational, and cultural engagement in the MENA region compares to that of the PRC, including by monitoring how the executive branch allocates foreign assistance and defense funds appropriated by Congress, and by assessing whether U.S. aid programs in the MENA region influence and/or are influenced by U.S.-PRC competition.

Members may debate whether or not the United States might offer incentives or pursue new initiatives that might result in deeper U.S.-MENA partnership. Members also may consider conditions or limits on U.S. security cooperation, foreign assistance, and/or arms sales to partners who engage in security or commercial cooperation with China that jeopardizes U.S. national security, with one factor being whether such conditions or limits might lead partners to reduce cooperation with the PRC or with the United States. Congress also could assess whether sanctions against those who facilitate PRC military or intelligence operations in the MENA region or elsewhere would advance or work against U.S. interests.

Annual appropriations and defense authorization measures provide opportunities for Members to shape future resources and authorities available to the executive branch to respond to PRC influence in the MENA region. Members may weigh, for example, whether or how to authorize and/or appropriate funds for U.S. foreign assistance or defense activities focused on countering PRC influence in the region or promoting closer U.S.-MENA trade, security, and/or energy ties. Annual appropriations and authorization bills, among others, also provide opportunities to alter or expand requirements for the executive branch to provide information to Congress about China and the MENA region in support of oversight.

Congress might also consider whether and how best to communicate to U.S. partners and rivals in the MENA region U.S. concerns about China's presence and activities in the region and what steps the United States is prepared to take to defend or advance U.S. interests. Congress may evaluate, through hearings or other oversight mechanisms, whether and how U.S. policies toward China positively or negatively influence economic, social, political, security, environmental, or other outcomes in the region, as well as popular and elite regional views on U.S.-China competition.

# Contents

Overview ..... 1
Perspectives from China and the MENA Region ..... 3
Diplomatic Relations ..... 4
Diplomatic Architecture ..... 5
Organizations ..... 9
League of Arab States (LAS, Arab League) ..... 9
Gulf Cooperation Council (GCC) ..... 10
The Shanghai Cooperation Organization ..... 10
Selected Issues ..... 11
Uyghurs/Xinjiang ..... 11
Taiwan ..... 12
Iran ..... 12
Security and Defense Relationships ..... 13
Israel, China, and the United States ..... 18
Technology Concerns and Partnership Prospects ..... 20
Economic Relationships, Trade, and Investment ..... 21
Trade Relationships ..... 21
China's Investment in the MENA Region ..... 23
MENA Region Investments in China ..... 25
Energy Relationships ..... 25
Other Exchanges ..... 28
Education and Language Programs ..... 29
Official Media Reach and Exchanges ..... 30
Notable Bilateral and Multilateral Exchanges ..... 31
Outlook and Options for Congress ..... 31

## Figures

Figure 1. MENA-PRC Partnership Agreements and Selected PRC-Based Investments ..... 7
Figure 2. PRC Security and Defense Relationships ..... 15
Figure 3. PRC Arms Transfers to MENA Region Governments, by Trend Indicator Value, 2011-2021 ..... 17
Figure 4. PRC Arms Transfers, by Trend Indicator Value, 2011-2021 ..... 18
Figure 5. China – MENA Goods Trade Balance ..... 21
Figure 6. China Oil Consumption and Production ..... 26
Figure 7. China Oil Imports and Share of Oil Imports from the MENA Region ..... 27

## Contacts

Author Information ..... 33

# Overview

The People's Republic of China (PRC, or China) has been expanding and strengthening its diplomatic, security, commercial, and cultural ties with countries in the Middle East and North Africa (MENA) region since the late 1990s. PRC and MENA political leaders have cultivated a wide array of relationships based on perceived mutual interests in the energy sector, diplomacy, and, in some cases, security. As in other regions, closer political relationships have accompanied growing commercial ties. State-owned and private PRC-based firms have signed construction, infrastructure, and technology contracts worth billions of dollars in the MENA region over the last twenty-five years.

China's first and only identified overseas military base to date is located in Djibouti, adjacent to the Red Sea and the Gulf of Aden, and in proximity to the MENA region. The U.S. Department of Defense (DOD) reports that China's government seeks to use its military to ensure the PRC's access to vital energy and other resources transiting the region's sea lines of communication, and DOD expects China's global military footprint to grow.[1] The United States nonetheless remains the predominant and most capable external military power in the MENA region, and U.S. security operations arguably contribute to the security of China's trade with the region, including energy trade. Thousands of U.S. forces are deployed in MENA countries at the invitation of several host governments; PRC forces, to date, are not regularly deployed in the MENA region outside of limited United Nations peacekeeping operations and the PRC's own anti-piracy operations.

Successive Administrations and many Members of Congress have raised concerns about the PRC's expanding global influence. President Joe Biden has referred to the PRC as the United States' "most serious competitor" globally,[2] elaborating in his Administration's National Security Strategy that the PRC "harbors the intention and, increasingly, the capacity to reshape the international order in favor of one that tilts the global playing field to its benefit."[3] In January 2023, the House of Representatives voted to establish a Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party (H.Res. 11). The committee website states it "is committed to working on a bipartisan basis to build consensus on the threat posed by the Chinese Communist Party and develop a plan of action to defend the American people, our economy, and our values."[4]

In this context, Members of Congress and Administration officials monitor relationships between the PRC and other countries around the world. In light of the PRC's expanding global interests, investments, and military reach, Congress has amended requirements for annual executive branch assessments of PRC military power and global economic and diplomatic influence to include requirements for additional information and analysis on trends in the MENA region.[5] Congress

[1] U.S. Department of Defense [DOD], *Report to Congress on Military and Security Developments Involving the People's Republic of China* [PRC] *2022*, November 2022.

[2] The White House, "Remarks by President Biden on America's Place in the World," Washington, DC, February 4, 2021; and, The White House, "Remarks by President Biden at the 2021 Virtual Munich Security Conference," February 19, 2021.

[3] The White House, "National Security Strategy," October 12, 2022.

[4] Available at https://selectcommitteeontheccp.house.gov/.

[5] In 2021, Congress comprehensively amended a long-standing requirement for annual executive branch reporting to Congress on the PRC's military power and its overseas activities of national security concern [§1243 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2022, (P.L. 117-81), amending §1202 of the FY2000 NDAA (10 U.S.C. §113 note)]. The revised provision requires annual reporting through 2027 on PRC efforts "to use the People's Liberation Army to expand its presence and influence overseas and the implications of such efforts on United

may consider how to best use information and analysis from the executive branch and other sources in conducting oversight of these issues and in considering whether or not to direct changes in U.S. foreign assistance, security cooperation, arms sales, or commercial and cultural engagement with MENA region countries (see **"Outlook and Options for Congress"** below).

Public and leadership support in MENA countries for U.S. policies varies, and PRC efforts to establish and deepen commercial and cultural linkages appear to have strengthened the PRC's regional position relative to the United States in some respects. Foreign countries' human rights and governance issues are not major drivers of PRC foreign policymaking. PRC leaders frequently portray this approach—referred to as China's principle of "non-interference"—as an attractive alternative to U.S. stated efforts to promote democracy and human rights.[6] A shared focus on commercial development has helped stabilize PRC ties to the MENA region, and appears to have secured some rhetorical support from MENA officials on sensitive issues such as the PRC's treatment of Uyghurs and other Muslim minority groups in the Xinjiang Uyghur Autonomous Region (XUAR). The U.S. government, in contrast, has determined that the PRC's actions against people in these minority groups constitute crimes against humanity and genocide.[7] Parallel approaches to governance, including the use of technology to aid authoritarian control and deter dissent, appear to facilitate relations between the PRC and some MENA region governments.

In an August 2022 Senate hearing, Assistant Secretary of State for Near Eastern Affairs Barbara Leaf acknowledged China's "growing influence" in the MENA region and identified related U.S. national security concerns.[8] Among these were the potential for China to use its economic partnerships and investments in the region to further its acquisition of critical technologies and the potential for the PRC to use such partnerships and investments as leverage for strategic purposes. Assistant Secretary Leaf noted PRC arms transfers to countries and non-state actors in the MENA region and warned of the potential for PRC involvement in regional infrastructure projects (e.g., ports) to enable unacknowledged PRC military and security activities. She stated that the United States would not leave a vacuum in the MENA region for China or Russia to fill

States' national defense and security interests" in several world regions. A separate provision added the MENA region to the scope and "especially" requires assessment "with respect to Iran and China's relationship with Iranian proxies such as Hezbollah in Lebanon, the Houthis ("Ansar Allah") in Yemen, the Assad regime in Syria, and Iranian-backed militias in Iraq" [§1309 of the FY2022 NDAA (P.L. 117-81)]. The FY2023 NDAA (§1251 of P.L. 117-263) further amended 10 U.S.C. §113 note to require annual reporting on "efforts by the People's Republic of China to use the People's Liberation Army to expand its presence and influence overseas and the implications of such efforts on United States' national defense and security interests in" the Middle East.

[6] See, for example, the PRC Ministry of Foreign Affairs statement on PRC Foreign Minister Wang Yi's September 2022 meeting with the Foreign Ministers of the Gulf Cooperation Council: "China is ready to work with GCC countries to safeguard non-interference in internal affairs, which is a basic norm governing international relations, and defend the common interests of the developing countries." PRC Ministry of Foreign Affairs, "Wang Yi Holds a Meeting with Foreign Ministers of GCC Countries," September 20, 2022.

[7] On January 19, 2021, the day before the end of President Donald J. Trump's term in office, the State Department determined that the PRC's actions against Uyghurs and other Muslim groups in Xinjiang constitute crimes against humanity and genocide. The Biden Administration has indicated concurrence with this determination and described genocide in Xinjiang as "ongoing" as recently as December 2021. (For further information about U.S. government actions in response to human rights violations in Xinjiang, see CRS In Focus IF10281, *China Primer: Uyghurs*, by Thomas Lum and Michael A. Weber.) In 2019, China's state media reported that Saudi Crown Prince Mohammed bin Salman Al Saud said, "China has the right to take anti-terrorism and de-extremism measures to safeguard national security." *Al Jazeera*, "Saudi crown prince defends China's right to fight 'terrorism," February 23, 2019. CRS is not aware of Saudi officials contesting the report.

[8] Testimony of Assistant Secretary State for Near Eastern Affairs Barbara Leaf before the Senate Committee on Foreign Relations Subcommittee on Near East, South Asia, Central Asia, and Counterterrorism, August 4, 2022.

and indicated that the Administration had informed U.S. partners in the region that certain forms of security cooperation with China may jeopardize U.S. partners' continued defense and security cooperation with the United States.

## Perspectives from China and the MENA Region

The PRC's policies toward the MENA region have been guided primarily by economic interests and investment opportunities for PRC firms (especially in the energy sector) and conditioned by the region's complex security environment. Generally, China seeks reliable access to MENA energy supplies, commercial opportunities for PRC-based firms, diplomatic backing in multilateral forums, and the ability to provide security for its economic and citizen interests in the region. MENA governments, for their part, generally seem to seek economic dividends from PRC trade and investment, loans and other financing as an alternative to the more stringent conditions accompanying international financial institution lending, and a hedge on traditional cooperation with the United States and (to a lesser extent) European countries and Russia.

Over time, the PRC has sought to exploit security challenges in the MENA region—and the United States' long-standing active role in the region—to its diplomatic advantage by depicting the U.S. government as the instigator of many of the region's problems and portraying the PRC as MENA countries' "long-term, reliable strategic partner."[9] In the past, the PRC's lack of direct involvement in military conflicts or political disputes in the MENA region may have helped explain why PRC dealings in MENA countries were often less controversial than those with outside powers that had greater military and diplomatic profiles in the region—such as the United States, European countries, and Russia. If China chooses to expand its diplomatic and security engagement, as it did by brokering a March 2023 Iran-Saudi Arabia agreement to reestablish diplomatic ties (see **"Diplomatic Relations"** below), the PRC's influence with MENA region actors may increase. At the same time, the PRC government's policies in the region may become more subject to controversy. U.S. officials and other observers may closely monitor the extent to which the PRC government is willing to act to ensure parties to agreements the PRC brokers in the MENA region abide by their commitments, and how any such actions affect PRC bilateral relations with regional players.

Political and security conditions preclude open and consistent public opinion monitoring in much of the MENA region, while one recent survey of popular views of China and the United States in some MENA countries paints a mixed picture. According to survey results released in August 2022 by the Arab Barometer project, respondents in some MENA countries such as Iraq, Tunisia, and Lebanon viewed China more favorably than the United States, though views varied by age and location.[10] Survey results suggested China's relative attractiveness as an economic partner has declined in some places, perhaps in part reflecting what the survey suggests are perceptions that PRC-based firms are low-cost, but also low-quality, providers, as well as concerns about the sustainability of PRC lending practices.[11] Reliable public opinion data on views within China of MENA cooperation are not available.

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[9] PRC Ministry of Foreign Affairs, "中国是中东国家长期可靠的战略伙伴——王毅国务委员兼外长在结束访问中东六国后接受媒体采访" ("China is Middle Eastern Countries' long-term, reliable strategic partner—State Councilor and Foreign Minister Wang Yi Conducts Media Interview Following Six-Country Tour of the Middle East"), March 30, 2021. Unless otherwise noted, footnotes use CRS translations.

[10] Michael Robbins, "Public Views of the U.S.-China Competition in MENA," Princeton University Arab Barometer, July 2022.

[11] David Stanway, "China's Belt and Road plans losing momentum as opposition, debt mount –study," *Reuters*,

Relatively favorable views toward China evident in polling may reflect limited engagement by populations in some Muslim-majority MENA countries with news about PRC's human rights record on issues such as the treatment of Uyghurs and other Muslims in Xinjiang.[12] Some MENA governments' policies related to Xinjiang may reflect their desire to maintain good relations with the PRC, their general opposition to international scrutiny on human rights issues, and concerns about the potential for transnational Islamist networks to exploit unrest and human rights abuses in Xinjiang for political or extremist purposes.

For MENA region governments, the PRC is an important global actor with significant diplomatic and economic influence. China's permanent seat on the U.N. Security Council gives the PRC government consequential input into binding U.N. decisions on MENA region questions, including with regard to authorizations for the use of force; non-proliferation, counterterrorism, and related sanctions regimes; humanitarian assistance; and U.N. mediation and peacekeeping. Growth in trade with China and bidirectional China-MENA investment have deepened economic linkages, making relations with China increasingly relevant in the political and economic calculations of MENA region leaders.

# Diplomatic Relations

Until the late 1990s, PRC-MENA region diplomatic relations were limited in scope, and characterized by the PRC's global pursuit of diplomatic recognition and relations, MENA governments' concern over the PRC's Cold War-era support for revolutionary/nationalist movements, PRC attempts to purchase advanced military technology from states such as Israel, and MENA governments' purchases of various arms systems from the PRC.[13] In the 2000s, China's economic growth and concurrent turn toward more active global diplomacy heralded a deepening of relations with countries across the MENA region.

Beyond China's increased demand for energy resources (see **"Energy Relationships"** below), PRC officials have long argued that China seeks broader partnership and mutual diplomatic support in the region. In 2008, China's then-Special Envoy for the Middle East, Ambassador Sun Bigan, described the PRC's relationship with Arab states as one where "the Arab countries have generally shown valuable support to China on the Taiwan issue, the Tibet issue, and the issue of human rights," and, "China has also supported the Arab countries' sovereignty, territorial integrity, and legitimate national rights."[14] Subsequent PRC actions and statements suggest these basic dynamics remain relevant to China's MENA region diplomacy toward both Arab and non-Arab states, even as evolving economic, cultural, and security sector ties have grown. In a December 2022 report entitled *China-Arab Cooperation in the New Era,* China's Ministry of Foreign Affairs stated that, "faced with a tumultuous international environment," the two sides are "more determined to develop friendly relations, support each other to defend their core

September 29, 2021.

[12] Michael Robbins, "Public Views of the U.S.-China Competition in MENA," Princeton University Arab Barometer, July 2022. This survey consulted respondents in Sudan, Mauritania, Jordan, the West Bank and Gaza, Morocco, Libya, Iraq, Tunisia, and Lebanon and found "relatively few citizens across MENA report following China's treatment of Muslim minorities on the news."

[13] Saudi Arabia's reported covert purchase of DF-3A (CSS-2) ballistic missiles from the PRC in the 1980s is perhaps the most notable and consequential example. See Richard Strauss, "Saudi Arabia's Chinese Missiles: Another Log on the Middle East Fire," *Los Angeles Times*, April 10, 1988; and, Mark Fitzpatrick, "Saudi Arabia's ballistic-missile programme: an overview," IISS, August 27, 2021.

[14] Central People's Government of the PRC, "中国希望进一步扩大与阿拉伯国家在各领域的合作"(" China Hopes to Further Expand Cooperation with Arab Countries in All Areas"), Xinhua, March 27, 2008.

interests more vigorously, and play an important role in promoting world peace and development and safeguarding the interests of developing countries."[15]

Like other external actors, China often has faced competing or mutually exclusive foreign policy goals in the MENA region. Tensions between Iran and some Arab Gulf states have complicated China's attempts to develop relationships with both without seeming to favor any one side. (See **"Iran"** below.) In March 2023, China brokered an agreement between Iran and Saudi Arabia to reestablish diplomatic relations, reopen embassies in each other's capitals, and reinitiate exchanges pursuant to previously reached bilateral security accords. Iraq and Oman, with U.S. encouragement, had facilitated Iran-Saudi Arabia talks in 2021 and 2022 that preceded and arguably contributed to the March 2023 agreement.[16] To date, public reporting on the PRC initiative has not confirmed whether China made specific commitments as a guarantor or offered specific inducements to the parties. Nevertheless, China's high-profile involvement suggests that PRC officials may be more willing to invest diplomatic resources and stake PRC credibility on deescalating MENA region disputes. The Biden Administration conditionally welcomed the agreement, while highlighting uncertainty over "whether the Iranians are going to honor their side of the deal" given Iran's support to the Houthis in Yemen.[17] Some observers have treated the PRC initiative as a sea change in regional diplomacy, while others are reserving judgment or downplaying its significance.[18]

In North Africa, the PRC has faced Moroccan entreaties to treat the Polisario Front, which seeks independence for the Western Sahara (a disputed territory claimed by Morocco) as an illegitimate "separatist" movement.[19] Instead, the PRC supports U.N. mediation over the territory's final status, a position closer to that of Algeria—which hosts the Polisario's leadership, and also is a key PRC economic partner and the MENA region's largest purchaser of PRC military equipment. Nonetheless, the PRC's stance has reportedly disappointed Algerian officials who would like to see Beijing take more assertive steps to support "self-determination" for the territory.[20]

## Diplomatic Architecture

The PRC maintains diverse bilateral relationships with MENA countries. Among these are a number of stated "strategic" partnerships with regional powers including "comprehensive strategic partnerships" with Egypt, the United Arab Emirates (UAE), Algeria, Iran, and Saudi Arabia (**Figure 1**). The PRC notably maintains a distinct "innovative comprehensive partnership" with Israel, whose cutting-edge technology sector grants it an additional aspect of importance to

[15] Foreign Ministry of the PRC, "新时代的中阿合作报告" ("Report on China-Arab Cooperation in the New Era"), December 1, 2022.

[16] In testimony before the Senate Foreign Relations Committee on March 22, 2023, Secretary of State Blinken said, "based on the information we have, I think what China did, in a sense cleverly was to at the very end of that process, take advantage of the work that these countries had done. And then basically host the conclusion of the agreement that they reached to restore diplomatic relations, not to bring it together themselves. They just happened to be the host of it. And I think it sent a diplomatic signal. There's no doubt about that. I have to say, I see some positives to this as well as some concerns." CQ Congressional Transcripts, "Senate Foreign Relations Committee Holds Hearing on Fiscal Year 2024 Budget Request for the State Department," March 22, 2023.

[17] *Voice of America*, "White House Welcomes Chinese-Brokered Saudi-Iran Deal," March 10, 2023.

[18] See for example, various observers' views described in: Nahal Toosi and Phelim Kine, "U.S. officials project calm as China stuns world with Iran-Saudi deal," *Politico*, March 13, 2023; and, Brad Dress, "China-brokered Iran-Saudi deal raises red flags for US," *The Hill*, March 11, 2023.

[19] See, e.g., *Al Arabiya*, "The Morocco-China partnership and its impact on Western Sahara," May 19, 2016.

[20] Yahia Zoubir, "Algeria and China: Shifts in political and military relations," *Global Policy*, July 27, 2022.

China (see **"Security and Defense Relationships"** and **"China's Investment in the MENA Region"** below).

Diplomatic engagements with national leaders remain a fixture of the PRC's diplomacy in the MENA region and beyond. In December 2022, China's top leader, Communist Party of China (CPC) General Secretary Xi Jinping, traveled to Riyadh to attend the inaugural China-Arab States Summit and the inaugural China-Gulf Cooperation Council Summit; effectively raising PRC's ties to the League of Arab States and the Gulf Cooperation Council to the head-of-state level (see **"Organizations"** below). The trip, which was widely publicized in PRC state-media, was the PRC leader's first visit to the region since his visit to the UAE in 2018, and his third overseas trip since January 2020.

During the China-Arab States Summit, Xi expressed China's support for Arab states to "stay independent" and "urged" the international community to "respect the role of the Middle East people as masters of their own affairs."[21] Among the outcomes of the summits, the two sides agreed to establish a "China-Arab Community with a Shared Future" and set out eight major cooperation initiatives (in areas including security and stability, energy security, and food security) to be advanced over the next three to five years.[22] The Summit also issued a series of documents, including a *Riyadh Declaration,* an *Outline of the Comprehensive Cooperation Plan Between the People's Republic of China and Arab States* and a document on *Deepening the Sino-Arab Strategic Partnership for Peace and Development*.

Xi concluded his trip to the region with a state visit to Saudi Arabia, during which the two sides agreed to upgrade the China-Saudi Arabia High-level Joint Committee to the prime minister-level and host biennial meetings at the head of state level.[23] The two sides also reached a *Comprehensive Strategic Partnership Agreement.* President Xi had last visited Saudi Arabia in 2016, and Saudi Crown Prince Mohammed bin Salman visited China in 2019.

Xi's trip followed President Biden's trip to the region in July 2022, during which President Biden outlined "five declaratory principles – partnership, deterrence, diplomacy, integration, and values – to guide U.S. engagement in the Middle East over the coming decades" (for details see **"Outlook and Options for Congress"** below).[24] Some analysts have contrasted the relatively warm reception Saudi Arabia offered Xi to that given to President Biden.[25] Some observers attributed what they described as a relatively cool Saudi reception for Biden to U.S.-Saudi frictions over Saudi Arabia's human rights record and war in Yemen.[26]

[21] Ministry of Foreign Affairs of the PRC, "Carrying Forward the Spirit of China-Arab Friendship and Jointly Building a China-Arab Community with a Shared Future in the New Era," December 10, 2022.

[22] Huaxia, "Xi Calls for Fostering Closer China-Arab Community with Shared Future," Xinhua, December 11, 2022.

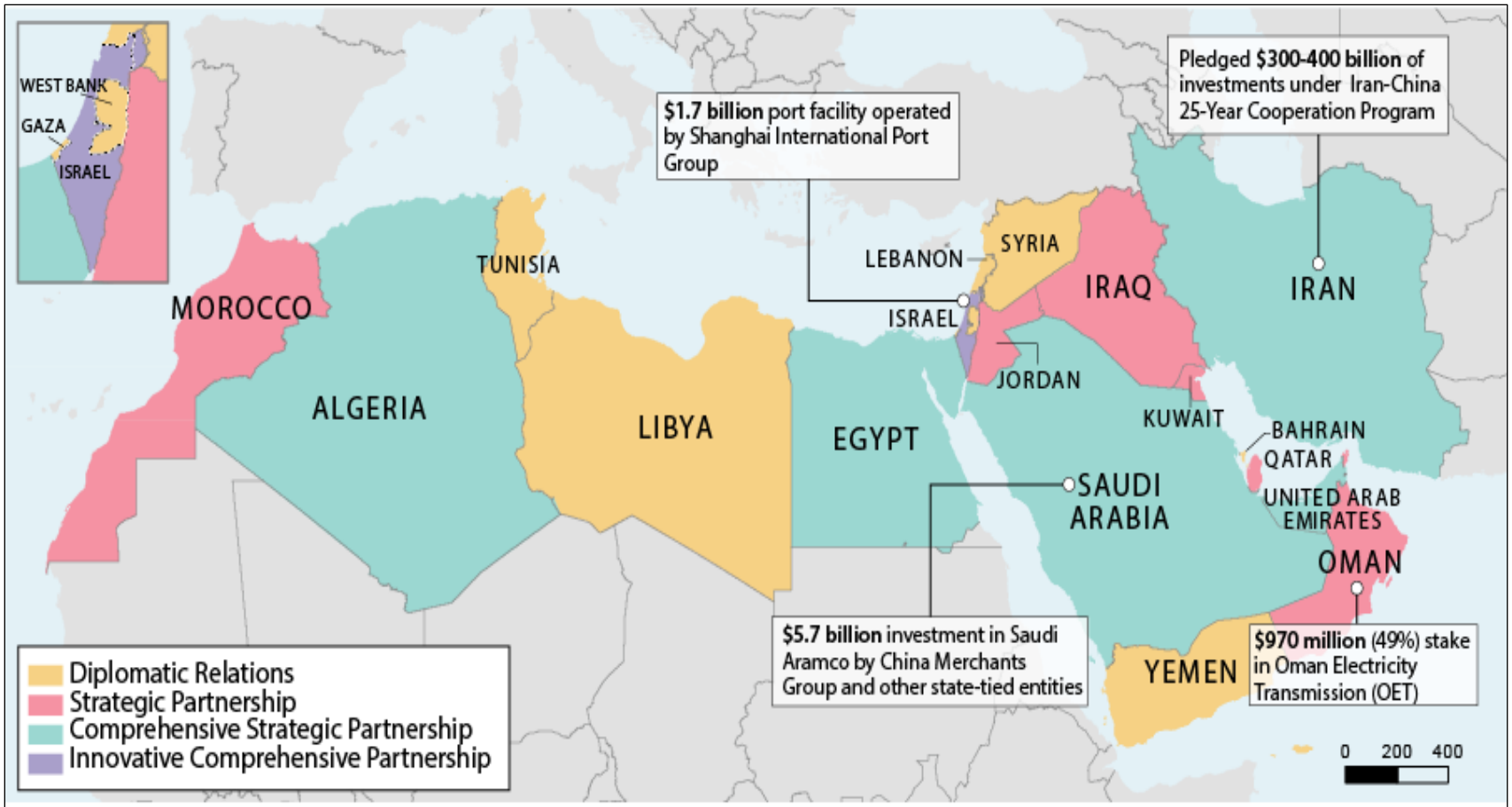
[23] Foreign Ministry of the PRC, "President Xi Jinping Holds Talks with Crown Prince and Prime Minister Mohammed bin Salman of Saudi Arabia," December 9, 2022.

[24] The White House, "FACT SHEET: The United States Strengthens Cooperation with Middle East Partners to Address 21st Century Challenges," July 16, 2022.

[25] Tamara Qiblawi, "Saudi's MBS Rolls Out the Red Carpet for China's Xi, in a not too Subtle Message to Biden," CNN, December 14, 2022.

[26] Aaron David Miller, "Xi's Saudi Visit Shows Riyadh's Monogamous Marriage to Washington Is Over," *Foreign Policy*, December 7, 2022.

**Figure 1. MENA-PRC Partnership Agreements and Selected PRC-Based Investments**




**Note:** Boundary representation is not necessarily authoritative. In 2020, the United States recognized the Western Sahara as part of Morocco. According to the U.S. executive branch: (1) The West Bank is Israeli occupied with current status subject to the 1995 Israeli-Palestinian Interim Agreement; permanent status to be determined through further negotiation. (2) The status of the Gaza Strip is a final status issue to be resolved through negotiations. Additionally, the United States recognized the Golan Heights as part of Israel in 2019; however, U.N. Security Council Resolution 497, adopted on December 17, 1981, held that the area of the Golan Heights controlled by Israel's military is occupied territory belonging to Syria. The current U.S. executive branch map of Israel is available at https://www.cia.gov/the-world-factbook/countries/israel/map.

**Source:** CRS graphic, using official PRC and MENA government statements, and press reports. Basemap from State Department and Esri data.

## PRC Positions on Selected MENA Issues

**Israeli-Palestinian Conflict**

The PRC recognized a Palestinian state in 1988 and supports a two-state solution to resolve the Israeli-Palestinian conflict.[27] China's recognition of Palestinian statehood may limit Israel's willingness to engage Beijing as a mediator on related issues. Throughout his tenure, Xi Jinping repeatedly has called attention to the Palestinian question, asserting that it is "at the heart of the Middle East issue."[28] In a meeting with Palestinian Authority President Mahmoud Abbas on the sidelines of the December 2022 China-Arab States Summit, Xi reiterated China's support for the "just cause of the Palestinian people to restore the legitimate rights and interests of their nation." He also called on the international community to "prioritize the Palestinian issue on the international agenda, keep to the direction of the two-state solution and the principle of 'land for peace,' and facilitate resumption of peace talks on the basis of relevant U.N. resolutions and the Arab Peace Initiative."[29]

Xi's remarks echo earlier remarks made by State Councilor and Foreign Minister Wang Yi in July 2021. At the time, Wang put forward three ideas to advance a two-state solution: encouraging the Palestine Liberation Organization and Israel to resume peace talks on the basis of a two-state solution, enhancing the Palestinian Authority in the West Bank and Gaza, and supporting efforts to reach a unified position among Palestinian factions.[30] Previously, in May 2013, Xi advocated for a two-state solution based on the 1967 borders (the 2021 proposal is silent on the issue).[31] The PRC provides aid to the Palestinians through contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).[32] According to some analysts, Beijing seeks to compartmentalize its relations with Israel and the Palestinians in order avoid being drawn too deeply into the dispute.[33]

**Syria**

As part of its ongoing diplomatic engagement in Syria, the PRC put forth two successive four-point solutions to "solve" the "Syria issue."[34] The most recent one, proposed by then-State Councilor and Foreign Minister Wang Yi during a visit to Damascus in July 2021, calls on countries to respect Syrian sovereignty and abandon the "illusion of regime change" while also upholding "a firm stand on effectively fighting terrorism."[35] This more recent proposal deemphasizes the role of the United Nations, which featured centrally in a November 2012 PRC proposal.[36] Syria joined China's Belt and Road Initiative (BRI, see textbox in **"China's Investment in the MENA Region"** below) in January 2022.[37] In July 2022, China supported a Russian proposal at the U.N. Security Council for the renewal of humanitarian assistance authorization for Syria and abstained on a U.S.-backed alternative that was less favorable to the Syrian government. In explaining China's positions, PRC diplomats said, "humanitarian assistance to Syria should respect Syria's sovereignty and the ownership of the Syrian Government. Cross-line delivery [i.e., via Syrian government-held territory] should become the main channel for humanitarian assistance to Syria."[38] Since 2011, the PRC has joined Russia four times in vetoing Syria-related resolutions in the U.N. Security Council.[39]

**Yemen**

Since 2015, the PRC has advocated for a political solution to the conflict in Yemen.[40] PRC officials have met a number of times with the internationally recognized Republic of Yemen government, to which the PRC has also provided some humanitarian aid. In a meeting with Yemen Leadership Council President Rashad Mohammed Al Alimi on the sidelines of the December 2022 China-Arab States Summit, Xi expressed China's support for Yemen "safeguarding its sovereignty, independence, unity, and territorial integrity" and for "all parties in Yemen to resolve the Yemeni issue through political solutions."[41] He also expressed China's willingness to continue providing "assistance within its capacity for Yemen's reconstruction, and promote the continuous consolidation and deepening of the traditionally friendly relations" between the two countries. As noted above, developments in Yemen may affect the durability of the China-brokered diplomatic reopening between Iran and Saudi Arabia.

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[27] Permanent Observer Mission of the State of Palestine to the United Nations, "Diplomatic Relations," 2022.

[28] Foreign Ministry of the PRC, "Xi Jinping Sends Message of Congratulations to UN Meeting Marking the International Day of Solidarity with the Palestinian People," November 30, 2022.

[29] Foreign Ministry of the PRC, "President Xi Jinping Meets with Palestinian President Mahmoud Abbas," December 9, 2022.

[30] "China proposes 3 routes to implement two-state solution: FM," *Xinhua*, July 19, 2021.

[31] "Palestine welcomes China's initiatives to revive stalled Israeli-Palestinian peace process: chief negotiator," *Xinhua*,

China maintains frequent contacts below the head of state level with MENA countries. In 2002, the PRC created the position of Special Envoy to the Middle East to provide a sustained, high-level, and agile PRC diplomatic presence in the region. Ambassador Zhai Jun serves as the current Special Envoy. In March 2021, State Councilor and Foreign Minister Wang Yi conducted a tour of the region, with stops in Saudi Arabia, Iran, UAE, Bahrain, and Oman [as well as Turkey (Türkiye)]. During the visit, Wang proposed a five-point initiative to achieve security and stability in the Middle East. One analyst of MENA-PRC ties described the initiative as reflecting the PRC's "preferences for a revised international political order."[42]

## Organizations

### League of Arab States (LAS, Arab League)

The League of Arab States (LAS) is one of China's main multilateral interlocutors in the MENA region.[43] Founded in 2004, the China-Arab States Cooperation Forum (CASCF) is a formal dialogue mechanism that brings together the 22 members of the LAS under the banner of "strengthening dialogue and cooperation" with China as well as "promoting peace and development."[44] It holds bi-annual ministerial meetings and annual senior official committee meetings, as well as a number of affiliated exchanges (see **"Notable Bilateral and Multilateral Exchanges"** below).[45]

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August 21, 2017.

[32] UNRWA, "The Government of the People's Republic of China provides US$ 1 million to Support Education for Palestine Refugee Children in the West Bank," September 13, 2022.

[33] See, for example: Giorgio Cafiero, "How Far Does China's Support for the Palestinian Cause Go?," TRT World, June 18, 2021.

[34] Xinhua, "China proposes four-point solution to Syrian issue: FM," *China Daily*, July 18, 2021.

[35] Ibid.

[36] Xinhua, "China announces new proposal on Syria," *People's Daily*, November 1, 2012.

[37] "Syria joins China's Belt & Road Initiative," *Xinhua*, January 13, 2022.

[38] Permanent Mission of the PRC to the U.N., "Explanation of Vote by Ambassador Dai Bing on the Security Council Resolution on Extending Cross-border Humanitarian Deliveries to Syria," July 12, 2022.

[39] https://research.un.org/en/docs/sc/quick

[40] Xinhua, "王毅：推动对话谈判，政治解决也门问题" ("Wang Yi: Promote Dialogue and Negotiation, Politically Resolve the Yemen Issue"), *People's Daily*, September 30, 2022.

[41] Foreign Ministry of the PRC, "Xi Jinping Meets with Chairman of Presidential Leadership Council of Yemen Rashad Mohammed Al-Alimi," December 10, 2022.

[42] The five points are "advocating mutual respect," "upholding equity and justice," "achieving non-proliferation," "jointly fostering collective security," and "accelerating development cooperation." See Ministry of Foreign Affairs of the PRC, "Wang Yi Proposes a Five-point Initiative on Achieving Security and Stability in the Middle East," March 26, 2021; and, Jonathan Fulton, "Cooperative Security in the Middle East: A Role for China?" Chatham House, September 20, 2022.

[43] The LAS/Arab League states are Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, the United Arab Emirates, and Yemen.

[44] China-Arab State Cooperation Forum, "关于论坛" ("About the Forum"), November 16, 2018.

[45] The secretariat is housed within the Department of West Asian and North African Affairs of the PRC Ministry of Foreign Affairs. The PRC Department holds regular department-level consultations the Department of the Middle East and North Africa of Russia's Ministry of Foreign Affairs.

At the last Ministerial Meeting in July 2020, the two sides agreed to host the China-Arab States Summit and reached consensus on "establishing a 'China-Arab Community with a Shared Future,' supporting each other on issues concerning each other's core interests," and "promoting the joint construction of the 'Belt and Road' ... " Months later, in August 2020, the CASCF published an action plan—the second of its kind—to guide the work of the forum from 2020-2022.[46] Outside the CASCF, frequent bilateral exchanges with officials in Israel and Iran round out the PRC's regional diplomacy.

## Gulf Cooperation Council (GCC)

The PRC has also sought to engage with MENA countries through the six-member Cooperation Council for the Arab States of the Gulf (Gulf Cooperation Council, GCC: Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman). The two sides established a strategic dialogue mechanism in 2010 and separately meet annually on the sidelines of the U.N. General Assembly. In such a meeting in September 2022, then-State Councilor and Foreign Minister Wang Yi affirmed that China "will continue the firm support for GCC countries in safeguarding their sovereignty, independence, security and stability"; the GCC, per the PRC readout, stated that it "firmly adheres to the one-China policy and supports China in safeguarding national sovereignty and territorial integrity" (for details see **"Taiwan"** below).[47] The two sides agreed to make joint efforts to reach a free trade agreement and "speed up formulating a strategic cooperation plan for the next stage." During the China-GCC Summit, the two sides adopted an action plan to guide the work of the China-GCC Strategic Dialogue from 2023 to 2027.

During a meeting with the foreign ministers of the GCC in New York in September 2022, Wang expressed the PRC's appreciation toward GCC countries "for their upholding justice on issues related to Taiwan, Xinjiang, Hong Kong and human rights, as well as their understanding of and support for China's legitimate demands."[48] Wang also expressed that China "is ready to work with the GCC countries to defend non-interference in internal affairs."

## The Shanghai Cooperation Organization

The Shanghai Cooperation Organization (SCO) may provide a future platform for security cooperation between China and some MENA states. Founded in 2001, the eight-member SCO has traditionally been a Eurasia-focused group, by virtue of its membership. Nonetheless, the Organization's 2021 approval of Iran's eligibility to seek full membership and the 2022 addition of Egypt, Qatar, and Saudi Arabia as dialogue partners underscore the SCO's potential to expand further westward into the MENA region.[49] At the SCO summit in September 2022, Iran signed a memorandum of obligations initiating its formal membership bid (expected to be completed in April 2023), and Kuwait, the UAE, and Bahrain signed memoranda to become dialogue partners.[50]

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[46] China-Arab States Cooperation Forum, "中国—阿拉伯国家合作论坛2020年至2022年行动执行计划" ("China-Arab States Cooperation Forum 2020-2022 Action Plan"), August 10, 2020.

[47] Foreign Ministry of the PRC, "Wang Yi Holds a Meeting with Foreign Ministers of GCC Countries," September 2022.

[48] "Chinese FM meets foreign ministers of GCC countries," *Xinhua*, September 20, 2022.

[49] Abhishek G Bhaya, "SCO to induct Egypt and Saudi Arabia as dialogue partners," *CGTN*, July 15, 2021.

[50] PRC Ministry of Foreign Affairs, President Xi Jinping Attends the 22nd Meeting of the SCO Council of Heads of State and Delivers Important Remarks, September 16, 2022; Parisa Hafezi, "Iran to join Asian security body led by Russia, China," Reuters, September 15, 2022; and, Nicole Grajewski, "Iran One Step Closer to SCO Membership," Washington Institute for Near East Policy, September 14, 2022.

# Selected Issues

## Uyghurs/Xinjiang

The PRC regularly has sought to muster support among MENA states for its repressive policies toward Uyghurs and other Muslim groups in the PRC's Xinjiang Uyghur Autonomous Region (XUAR).

In 2019, twelve MENA governments were among the signatories of a letter to the U.N. Human Rights Council (UNHRC) commending China's "remarkable achievements in the field of human rights" and affirming the PRC's policy toward Xinjiang.[51] The letter followed a joint statement 22 non-MENA countries sent to the President of the UNHRC in which they called on China to "uphold its national laws and international obligations and to respect human rights and fundamental freedoms, including freedom of religion or belief, in Xinjiang and across China."[52] In 2022, Egypt, Iran, Iraq, Saudi Arabia, Syria, Yemen, and the UAE signed on to a joint statement with the PRC disapproving of the release of a U.N. report critical of PRC policies in Xinjiang.[53]

In conjunction with these efforts, the PRC's Ministry of Foreign Affairs has organized tours of Xinjiang for envoys from predominantly Muslim countries.[54] These tours typically include meetings with local officials, as well as visits to mosques and communities. In some instances, these tours appear to have included visits to companies sanctioned by the United States, such as Huafu Color Spinning Co., Ltd.[55] In May 22, 2020, the Commerce Department Bureau of Industry and Security (BIS) announced that it would add Aksu Huafu Textiles Co., a subsidiary of Shenzhen-listed Huafu Fashion Co., Ltd, to the Entity List "for engaging in human rights violations and abuses in the XUAR."[56]

Some recent reports suggest that China may be pursuing the extradition of Uyghurs and their families residing in countries including Saudi Arabia, the UAE, and Egypt.[57] MENA government concerns about monitoring transnational Islamist activism, containing Islamist extremist violent extremism, and securing PRC diplomatic support may inform their consideration of PRC requests.

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[51] The signatories were Algeria, Bahrain, Egypt, Iran, Iraq, Kuwait, Oman, Saudi Arabia, Syria, the United Arab Emirates, Yemen, and Palestine. See U.N. Document A/HRC/41/G/17, August 9, 2019.

[52] U.N. Document A/HRC/41/G/11, July 8, 2019.

[53] PRC Mission to the U.N. Human Rights Council, Joint Statement Delivered by H.E. Ambassador Chen Xu on Behalf of 30 Countries, September 13, 2022. See U.N. Office of the High Commissioner for Human Rights, OHCHR Assessment of human rights concerns in the Xinjiang Uyghur Autonomous Region, People's Republic of China, August 31, 2022.

[54] PRC Ministry of Foreign Affairs, "外交部组织伊斯兰国家驻华使节代表团赴新疆维吾尔自治区考察访问" ("The Ministry of Foreign Affairs organizes a delegation of diplomatic envoys from Islamic countries to China to visit Xinjiang Uygur Autonomous Region"), August 6, 2022.

[55] Foreign Ministry of the PRC, "The Ministry of Foreign Affairs Organizes a Visit by Islamic Countries' Diplomatic Envoys to China to Xinjiang Uyghur Autonomous Region," August 6, 2022.

[56] U.S. Department of Commerce, "Commerce Department to Add Nine Chinese Entities Related to Human Rights Abuses in the Xinjiang Uighur Autonomous Region to the Entity List," May 22, 2020.

[57] Jomana Karadsheh and Gul Tuysuz, "Uyghurs are being deported from Muslim countries, raising concerns about China's growing reach," *CNN*, June 8, 2021. UN Human Rights Office of the High Commissioner, "Saudi Arabia: UN experts say Uyghurs must not be extradited to China, urge proper risk assessment," press release, April 1, 2022.

## Taiwan

No MENA country has formal diplomatic ties with Taiwan, the self-governing island democracy of 23 million people over which the PRC claims sovereignty. The PRC has sought to gain control over Taiwan, which officially calls itself the Republic of China, or ROC, since the end of the Chinese Civil War in 1949. Gradually during the following decades, MENA countries—including several that had previously recognized the ROC—established official diplomatic relations with the PRC. Cold War politics, attitudes toward communism, domestic political dynamics, and evolving national interests shaped each MENA government's decisionmaking on questions of recognition and the establishment of diplomatic relations with the PRC or the ROC. Saudi Arabia was the last Arab country to establish diplomatic relations with the PRC, doing so in 1990.[58] Iran established diplomatic relations with the PRC in 1971, and the Islamic Republic retained that policy after the 1979 revolution. Israel established diplomatic ties with the PRC in 1992, but, like many of its neighbors and other countries around the world, maintains informal commercial and cultural ties to Taiwan.[59]

While Taiwan engages in some people-to-people exchanges with MENA countries, is a major trading partner of several MENA economies, and imports much of its oil and natural gas from MENA region producers, one analyst has argued these ties "have never shaken the Middle Eastern governments' support of the 'One-China Policy.'"[60] In conjunction with then-Speaker of the House Nancy Pelosi's August 2022 visit to Taiwan, PRC ambassadors actively sought to reiterate their claims over Taiwan throughout the MENA region.[61]

## Iran

The PRC officially supports the Joint Comprehensive Plan of Action (JCPOA), to which it is a party and which it has described as "an important diplomatic achievement in the new century and an important pillar for upholding the international nuclear non-proliferation system and peace and stability of the Middle East."[62] Since the United States' withdrawal from the JCPOA in 2018, the PRC has claimed that it has "worked hard to help cement the consensus of all parties to safeguard

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[58] See 'Table 2: Arab States' Diplomatic Recognition of the PRC' in Makio Yamada, "Islam, Energy, and Development: Taiwan and China in Saudi Arabia, 1949–2013," *American Journal of Chinese Studies*, vol. 22, no. 1 (April 2015), pp. 77-98.

[59] See Jonathan Goldstein, "A Quadrilateral Relationship: Israel, China, Taiwan, and the United States since 1992," *American Journal of Chinese Studies*, vol. 12, no. 2 (October 2005), pp. 177-202.

[60] Hsiu-Ping Bao, "Reviewing the History of Taiwan-Middle East Relations: Official Relations and Citizen Diplomacy," *Global Taiwan Brief* 6, no. 1 (2021): 11.

[61] See for example, China-Arab Cooperation Forum, "驻埃及使馆举行台湾问题座谈会暨《台湾问题与新时代中国统一事业》白皮书宣介会" ("The Chinese Embassy in Egypt Holds a Symposium on the Taiwan Issue and a White Paper Presentation on 'The Taiwan Issue and China's Reunification in the New Era'"), August 15, 2022; Embassy of the PRC in the Kingdom of Saudi Arabia, "陈伟庆大使接受采访：如有人试图改变现状，我军演训就回答他们我们会怎么做" ("Ambassador Chen Weiqing Interviewed: If Someone Tries to Change the Status Quo, Our Military Exercises Will Answer What We Will Do"), August 6, 2022; Embassy of the PRC in Bahrain, "安瓦尔大使在《海湾消息报》发表署名文章 《一个中国原则不容任何挑战" ("Ambassador Anwar Publishes an Article 'The One-China Principle Allows No Challenges' on Gulf News"), August 8, 2022; and Embassy of the PRC in the UAE, "张益明大使在阿联酋主流媒体《国民报》发表署名文章《佩洛西窜访台湾违反一个中国原则》" ("Ambassador Zhang Yiming Publishes an Article 'Pelosi's visit to Taiwan violates the One-China Principle' in UAE Mainstream Media, The National"), August 6, 2022.

[62] On the JCPOA, see CRS Report R43333, *Iran Nuclear Agreement and U.S. Exit*, by Paul K. Kerr, Clayton Thomas, and Carla E. Humud. Ministry of Foreign Affairs of the PRC, "Statement by H.E. Amb. LI Song on Nuclear Non-Proliferation at the Tenth NPT Review Conference," August 10, 2022.

JCPOA" and sought "to get the U.S. and Iran to full and effective implementation of JCPOA."[63] Since the Trump Administration withdrew from the JCPOA and unilaterally re-imposed sanctions, the PRC has been "the main destination of illicit [oil] exports by Iran," prompting U.S. expressions of concern and warnings to China.[64] In a joint statement during Iranian President Ibrahim Raisi's February 2023 state visit to China, Presidents Xi and Raisi said "All relevant sanctions should be fully lifted in a verifiable manner to promote the full and effective implementation" of the JCPOA.[65]

In 2016, China and Iran announced that they had "establish ties based on 'comprehensive strategic partnership.'"[66] The announcement described areas of agreement and alignment between the two governments' views of the international system and called for greater bilateral cooperation in trade, security, and investment.[67] In 2021, the two sides reached a "comprehensive cooperation plan" that reportedly includes a pledge of $400 billion in PRC investments in numerous Iranian economic sectors in return for regular and discounted shipments of Iranian oil to China.[68] Iran approved the opening of a Chinese consulate in the port of Bandar Abbas in 2022. During Iranian President Raisi's February 2023 visit to China, officials signed additional related agreements in various sectors, but overall implementation of the partnership has appeared limited. Some observers have detected in Iranian officials' public statements impatience with the pace of the agreement's implementation.[69]

Some observers have argued that Iranian leaders may view with apprehension closer Chinese relations with Saudi Arabia (Iran's primary regional rival) and the UAE (with which Iran has strong economic ties but also some territorial disputes).[70] Iran opposes proposals that it hold talks with the UAE over the islands of Greater Tunb, Lesser Tunb, and Abu Musa near the Strait of Hormuz, and Iran reportedly engaged PRC diplomats in December 2022 over PRC endorsement of such talks in a joint PRC-GCC statement.[71] Nevertheless, Iranian leaders have had high-level engagement with China in the wake of that disagreement. PRC officials' ability to broker an Iran-Saudi Arabia agreement to reestablish diplomatic relations may suggest that, in some circumstances, Iran remains open to benefiting from the PRC's ties to its Gulf neighbors.

# Security and Defense Relationships

The United States remains the primary security partner of militarily capable and strategically located countries in the MENA region, such as Israel, Egypt, Saudi Arabia, the United Arab Emirates, and Qatar. However, these and other MENA governments continue to pursue

[63] Ministry of Foreign Affairs of the PRC, "Ambassador Wang Qun's Interview with Chinese and Foreign media on U.S. and Iran's Return to JCPOA Implementation," April 6, 2021.

[64] "US to boost pressure on China to stop importing Iran oil, envoy says," *Bloomberg*, January 23, 2023.

[65] "China, Iran call for Iran sanctions to be lifted; Xi to visit," Reuters, February 16, 2023.

[66] President of Iran, "Full text of Joint Statement on Comprehensive Strategic Partnership between I.R. Iran, P.R. China," 2016.

[67] Ibid.

[68] Farnaz Fassihi and Steven Lee Myers, "China, with $400 billion Iran deal, could deepen influence in Mideast," *New York Times*, March 27, 2021.

[69] Mohammad Mousavizadeh, "A cooler China-Iran relationship," *Washington Report on Middle East Affairs*, February 9, 2023; Shannon Tiezzi, "Iran's president visit China, hoping to revitalize ties," *Diplomat*, February 15, 2023.

[70] Jacopo Scita, "When it comes to Iran, China is shifting the balance," *Bourse and Bazaar*, December 13, 2022; Tala Taslimi, "China's embrace of Saudi Arabia leaves Iran out in the cold," *Nikkei Asia*, December 13, 2022.

[71] "Iran summons China envoy over islands dispute statement with UAE," *Al Jazeera*, December 11, 2022.

diversification in their security and arms procurement relationships, and MENA countries such as Algeria, Saudi Arabia, Iraq, and Egypt have purchased PRC-origin arms and conducted training exercises with the PRC's military, the People's Liberation Army (PLA). The U.S. government has long considered the Indian Ocean basin, its western approaches, and the concentration of energy resources in the MENA region to be strategically important.

Official U.S. descriptions of the MENA region reflect this prioritization and describe the region as "critical to American security interests, global trade, global energy, and global security."[72] The security and economic vitality of China and U.S. partners in the Indo-Pacific appears particularly linked to the MENA region by virtue of Indo-Pacific countries' energy imports from the Persian Gulf region. The PRC government views the region similarly, and has worked over the last 15 years to develop the ability to protect the sea lines of communication connecting it to the region and its resources, while strengthening security relationships with MENA region, African, and South Asian counterparts.[73]

China's military presence in the region is limited. It has sustained a presence in the Gulf of Aden since 2008, when the PLA Navy began conducting escort missions in the region to protect PRC commercial vessels from maritime threats.[74] Since then, U.S. and partner forces frequently have operated adjacent to the PLA Navy in the Arabian Sea and Gulf of Aden, and at times in the Red Sea, the Strait of Hormuz, the Persian Gulf, and the Mediterranean Sea.[75]

In 2017, the PLA opened its first overseas military base, a naval support facility in Djibouti at the southern entrance to the Red Sea.[76] Through 2021, replenishment ships supporting PLA Navy escort task forces operated from the commercial port of Djibouti. In 2022, an escort task force reportedly used the new PRC-built military port facility at its support base for the first time.[77]

The U.S. Department of Defense (DOD) judges that the Djibouti port is likely able to accommodate PLA aircraft carriers, submarines, and other large ships.[78] The 117th Congress directed the Administration to review and report to Congress on PRC or PRC-controlled entities' purchases and investments in ports and port-related infrastructure critical to U.S. interests and national security (Section 1259 of the FY2023 NDAA, P.L. 117-263).

[72] For example, see Statement for the Record, Gen. Michael "Erik" Kurilla, Commander, U.S. Central Command before the Senate Armed Services Committee on the Posture of U.S. Central Command, March 13, 2023.

[73] Becca Wasser et al., *Crossroads of Competition: China, Russia, and the United States in the Middle East*, RAND Corporation, 2022, pp. 24-42.

[74] DOD, *Report to Congress on Military and Security Developments Involving the PRC 2022*, p. 136-7.

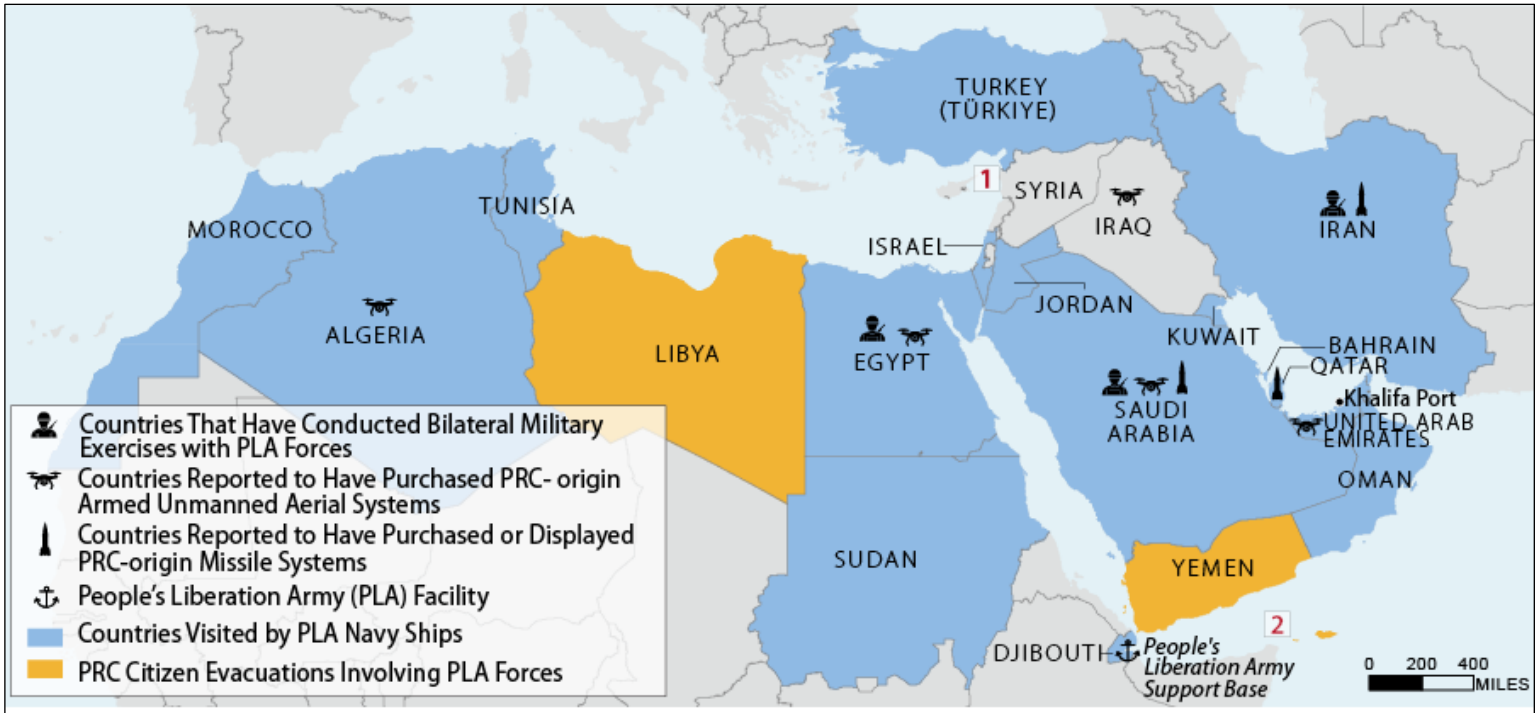
[75] In 2010, PLA Navy vessels transited the Suez Canal to the Mediterranean and entered the Persian Gulf for the first time. In 2013 and 2018, PLA Navy vessels visited Casablanca, Morocco. For a review of PLA Navy port visits through 2019, see James E. Fanell, "China's Global Navy—Today's Challenge for the United States and the U.S. Navy," *Naval War College Review*, Volume 73, Number 4, Autumn 2020.

[76] According to DOD, Djibouti also hosts the only enduring U.S. military base in Africa. U.S. officials have expressed concerns about China's military presence and commercial involvement in Djibouti's port. See CRS In Focus IF11304, *China's Engagement in Djibouti*.

[77] Liu Xuanzun, "Alleged PLA Navy ship's port call in Djibouti 'contributes to regional stability,'" *Global Times*, March 29, 2022.

[78] DOD, *Report to Congress on Military and Security Developments Involving the PRC 2022*, November 2022, p. 144.

**Figure 2. PRC Security and Defense Relationships**




1. A PLA Navy frigate escorted ships carrying chemical weapons materials out of Syria in 2014.
2. Since 2008, PLA naval escort task forces have conducted more than 40 rotations in the Gulf of Aden and waters off the coast of Somalia.

**Source:** Prepared by the Congressional Research Service using Department of Defense reporting to Congress, and PRC official statements.

DOD also reported in 2022, "the PRC has likely considered" the UAE as a location for future PLA overseas facilities.[79] In November 2021, the Biden Administration reportedly demanded an immediate halt to PRC construction of an alleged military facility at the deep-water Khalifa Port, Abu Dhabi's main container port, where PRC state-owned company COSCO Shipping operates a commercial container terminal.[80] Emirati officials complied, but said that the facilities "were not really military facilities" and that the UAE had no intention of hosting a PRC military facility.[81]

The PLA Navy rotates its escort task forces and uses participating ships for military diplomacy purposes in Africa, the MENA region, and southern Europe. The decline in Somalia-based piracy and the Somali government's 2022 decision not to request an extension of the U.N. Security Council mandate for international operations in its waters do not appear to have altered PRC maritime security patrol and escort operations in the Gulf of Aden.[82] PLA Marine Corps forces embark on PLA Navy vessels and have conducted joint training with Saudi and Djiboutian counterparts.[83]

According to DOD, the PLA Navy also conducts "submarine deployments to the Indian Ocean, demonstrating its increasing familiarity in that region and underscoring the PRC's interest in protecting sea lines of communication (SLOCs) beyond the South China Sea."[84] Evacuation operations have demonstrated the PRC's willingness and growing ability to protect PRC nationals and interests ashore in the MENA region: The PRC government coordinated the evacuation of tens of thousands of PRC nationals from Libya in 2011[85] and the PLA coordinated the evacuation of nearly one thousand PRC nationals and other foreigners from Yemen in 2015.[86]

PRC arms transfers to MENA governments and MENA non-state actors' acquisition of PRC-origin military technology are of interest to U.S. policymakers (see **Figure 3** and **Figure 4** below). For decades, U.S. officials have argued that U.S. decisions with regard to arms transfers should account for the potential for competitors to supply U.S. partners and thereby reap commercial, security, and diplomatic benefits. U.S. officials also may consider the potential presence and proximity of PRC-origin systems and technicians relative to U.S. systems and personnel in partner countries.

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[79] DOD, *Report to Congress on Military and Security Developments Involving the PRC 2022*, November 2022, p. XII.

[80] Gordon Lubold and Warren P. Strobel, "China Move in U.A.E. Thwarted—U.S. Rang Alarm about Building of Suspected Military Facility at Port on Mideast Ally's Turf," *Wall Street Journal*, November 20, 2021.

[81] Nomaan Merchant, "UAE suspends talks on $23 billion weapons deal with US," Associated Press, December 14, 2021.

[82] In March 2022, the U.N. Security Council declined to extend the Chapter VII mandate for international naval operations in Somalia's territorial waters after the Somali government stated that it "will no longer request any renewal or modification of that resolution, since it has successfully achieved its intended objectives after nearly 15 years." China's Security Council representative did not specifically address the expiration of the maritime security mandate, but expressed support for Somalia's sovereignty and continued international security assistance. The Somali government reportedly seeks to negotiate bilateral maritime cooperation agreements in the future. International maritime security operations continue in international waters in the region. See U.N. Document S/PV.8965, Security Council Meeting Record, February 15, 2022.

[83] DOD, *Report to Congress on Military and Security Developments Involving the PRC 2022*, November 2022, p. 57.

[84] Ibid., p. 135.

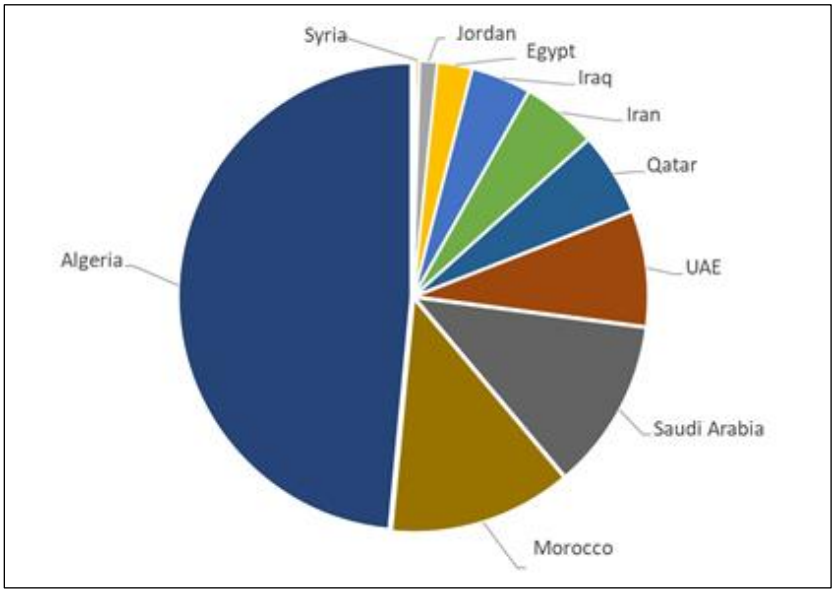
[85] Shaio H. Zerba, "China's Libya Evacuation Operation: a new diplomatic imperative—overseas citizen protection," *Journal of Contemporary China*, vol. 23, no. 90, 2014; and, Jonas Parello-Plesner and Mathieu Duchâtel, "International rescue: Beijing's mass evacuation from Libya," in *China's Strong Arm: Protecting Citizens and Assets Abroad*, Adelphi Series, Volume 54, Issue 451, May 12, 2015, pp. 107-124.

[86] Becca Wasser et al., *Crossroads of Competition: China, Russia, and the United States in the Middle East*, RAND Corporation, 2022, p. 44.

PRC arms sales to the MENA region remain lower in volume and value than U.S., Russian, and European transfers, but the PRC has sold some advanced technologies such as export variant ballistic missile systems and strike-capable unmanned aerial systems (UAS) that other suppliers to date have been reluctant to sell. Saudi Arabia reportedly has acquired new ballistic missile systems from China, and, in 2017, Qatar displayed a PRC-origin Joint Attack Rocket and Missile System (JARM) transporter erector launcher.[87]

Arms transfers have the potential to enmesh the PRC further in regional security debates and disputes, which could challenge PRC leaders' established preference to maintain a neutral posture in regional controversies. Some observers and U.S. officials have raised the prospect of increased PRC arms sales to Iran since the 2020 expiration of the U.N. ban on arms transfers to or from Iran (China voted against a U.S. proposal to extend the ban); others have expressed skepticism, citing U.S. sanctions and PRC ties with Iranian rivals in the MENA region.[88]

**Figure 3. PRC Arms Transfers to MENA Region Governments, by Trend Indicator Value, 2011-2021**



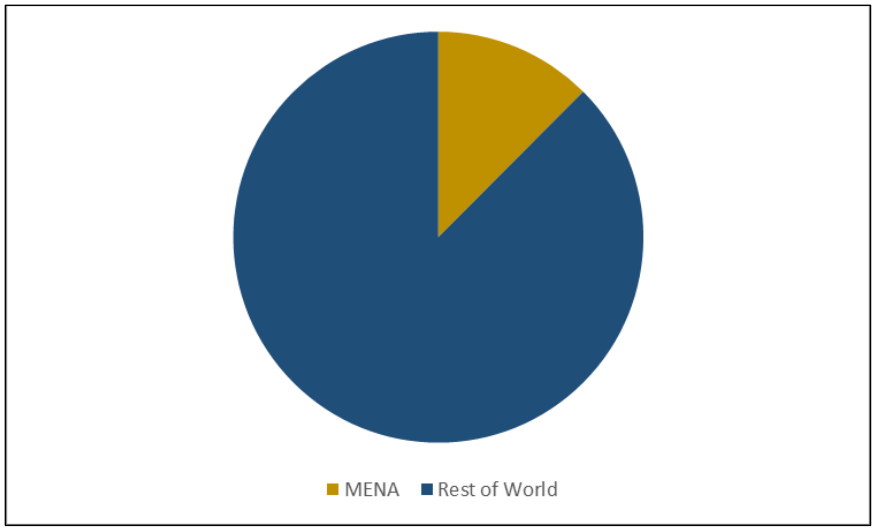

**Source:** Stockholm International Peace Research Institute (SIPRI), Importer/Exporter TIV Tables, updated March 14, 2022.

**Notes:** SIPRI uses a "trend-indicator value," or TIV, to compare data and identify trends in global arms transfers with the goal of providing "a common unit to allow the measurement of trends in the flow of arms to particular countries and regions over time." According to SIPRI, "TIV figures do not represent sales prices for arms transfers." For more on this methodology, see SIPRI, "Sources and Methods," at https://www.sipri.org/databases/armstransfers/sources-and-methods.

[87] Phil Mattingly, Zachary Cohen and Jeremy Herb, "U.S. intel shows Saudi Arabia escalated its missile program with help from China," *CNN*, June 5, 2019; and, DOD, *Report to Congress on Military and Security Developments Involving the PRC 2022*, November 2022, p. 152.

[88] Tuvia Gering and Jason Brodsky, "Not 'business as usual': the Chinese military's visit to Iran," Middle East Institute, May 16, 2022; Ellie Geranmayeh, "Do not expect a rush of arms sales to Iran," European Council on Foreign Relations, October 16, 2020; Lucille Greer, "China will not capitalise on the end of the Iran arms embargo," *Bourse and Bazaar*, October 19, 2020.

**Figure 4. PRC Arms Transfers, by Trend Indicator Value, 2011-2021**




**Source:** SIPRI, Importer/Exporter TIV Tables, updated March 14, 2022.

**Notes:** SIPRI uses a "trend-indicator value," or TIV, to compare data and identify trends in global arms transfers with the goal of providing "a common unit to allow the measurement of trends in the flow of arms to particular countries and regions over time." According to SIPRI, "TIV figures do not represent sales prices for arms transfers." For more on this methodology, see SIPRI, "Sources and Methods," at https://www.sipri.org/databases/armstransfers/sources-and-methods.

Russia provides most of Algeria's arms imports, but Algeria is by far the largest purchaser of PRC arms in the MENA region (**Figure 3**), followed by regional rival Morocco, which is engaged in military clashes with the Algerian-hosted Polisario Front in the disputed territory of Western Sahara. Both Algeria and Morocco have appealed to China to support their respective positions on Western Sahara, as discussed above.

Several MENA governments have bought PRC UAS, and several have used them in combat, including Saudi Arabia (in Yemen) and the UAE (in Libya).[89] Saudi Arabia and the PRC have announced several agreements since 2017 to research and manufacture UAS in the kingdom.[90] In August 2022, Assistant Secretary Leaf noted that many UAS used by Iran-linked armed groups are of PRC origin and said, "they're not provided by the state [PRC government], but the state does not attempt to curtail that flow."[91]

## Israel, China, and the United States

U.S. officials and Members of Congress have at times scrutinized Israel's defense and technology trade with the PRC.[92] Since the middle of the 2000s, Israeli defense exports to China have nearly

[89] According to DOD, "at least … Iraq, Saudi Arabia, Egypt, the UAE, [and] Algeria" have acquired strike capable Chinese UAS. DOD, *Report to Congress on Military and Security Developments Involving the PRC 2022*, November 2022, p. 152.

[90] See "China's Saudi drone factory compensates for US ban," *Middle East Eye*, March 29, 2017; Ian Armstrong, "What's Behind China's Big New Drone Deal?" *The Diplomat*, April 20, 2017; and, Agnes Helou, "Chinese and Saudi firms create joint venture to make military drones in the kingdom," *Defense News*, March 9, 2022.

[91] Testimony of Assistant Secretary State for Near Eastern Affairs Barbara Leaf before the Senate Committee on Foreign Relations Subcommittee on Near East, South Asia, Central Asia, and Counterterrorism, August 4, 2022.

[92] For more information and analysis, see CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp, and CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti. See also, "The Evolving Israel-China

ceased.[93] However, China is now Israel's second largest single-state trading partner (after the United States, see **"Trade Relationships"** below), and U.S. officials reportedly have been concerned that the PRC could use commercially transferred Israeli technology to compete with the United States and potentially threaten U.S. national security in various fields, such as cybersecurity, artificial intelligence, and robotics.[94] Partly due to U.S. concerns regarding China's involvement in Israel's economy, Israel created an advisory panel on foreign investment in Israel in late 2019.[95] However, this panel reportedly does not have the authority to review investments in sectors such as high-tech that accounted for most of China's investments in Israel in the previous decade.[96] In late 2022, Israel's government somewhat tightened the panel's oversight, but it reportedly still excludes foreign investments in Israeli private tech companies.[97]

In 2019, a PRC state-owned company (Shanghai International Port Group) signed a 25-year contract to operate the new terminal at Haifa's seaport. Operations began in 2021. Another PRC state-owned company (a subsidiary of China Harbour Engineering Company) is developing Ashdod's new port. Both Haifa and Ashdod host Israeli naval bases. Due to the PRC state-owned entity's contract for the Haifa project, the Biden Administration has reportedly pressed Israeli counterparts to check heavy machinery at the port regularly for technology that could be employed to spy on the nearby naval base.[98]

Successive Administrations and Congresses have urged Israel to do more to limit certain PRC investments. The conference report (H.Rept. 116-333) accompanying P.L. 116-92, the National Defense Authorization Act for FY2020, expressed the conferees' view that the U.S. government "should convey to the Government of Israel the serious security concerns with respect to the leasing arrangements of the Port of Haifa, and urge consideration of the security implications of such foreign investment in Israel." In 2022, after repeated high-level U.S. engagement with Israel on China, Israel reportedly agreed to "update Washington about any major deals with Beijing, especially in infrastructure and technology" and to "reconsider any such deals at America's request," according to an unnamed Israeli official.[99] During President Biden's visit to Israel in summer 2022, the United States and Israel launched the "U.S.-Israel Strategic High-Level Dialogue on Technology," which, among other things, is to focus on managing "risks to our

Relationship," *RAND Corporation*, 2019.

[93] In late 2021, Israel indicted three Israeli companies and 10 suspects on charges of exporting cruise missiles to China without a permit. According to one report, "Israel is home to some 1,600 licensed arms exporters, which employ 150,000 to 200,000 people. In addition, there is a large supply chain of subcontractors who supply software, hardware, raw materials, and other goods necessary for arms production. [Israel's Defense Export Controls Agency] DECA is supposed to watch over this massive system, guided by strict rules governing Israel's arms export industry. The body, which operates with nearly no transparency, is supposed to vet deals to ensure that arms do not go to enemy countries, endanger Israel in any way, include classified technology, or stand to harm Israel's international standing." See "10 Israelis set to be Indicted for Illegally Exporting Missiles to China," *Times of Israel*, December 20, 2021.

[94] Felicia Schwartz and Dov Lieber, "China Tech Push in Israel Stirs Security Fears," *Wall Street Journal*, February 12, 2019.

[95] Arie Egozi, "Israelis Create Foreign Investment Overseer; China Targeted," *Breaking Defense*, November 13, 2019.

[96] Shira Efron et al., *Chinese Investment in Israeli Technology and Infrastructure: Security Implications for Israel and the United States*, RAND Corporation, 2020, pp. 24-25.

[97] Barak Ravid, "Scoop: Israel to increase reviews of foreign investments after U.S. pressure," *Axios*, November 23, 2022.

[98] Arie Egozi, "US Presses Israel on Haifa Port amid China Espionage Concerns: Sources," *Breaking Defense*, October 5, 2021.

[99] Lahav Harkov, "Israel Agrees to Update US about China Trade to Avoid Tension," *Jerusalem Post*, January 3, 2022.

respective technology ecosystems, including in research security, export controls, and investment screening."[100]

## Technology Concerns and Partnership Prospects

Successive Administrations have informed U.S. partners in the MENA region that certain types of cooperation with the PRC may result in the suspension or alteration of security partnerships with the United States.[101] The Trump Administration sought to deter U.S. partners' potential adoption of PRC-based firms' telecommunications technology,[102] warning that PRC vendors "could render our partners' critical systems vulnerable to disruption, manipulation and espionage."[103] In 2020, then-Secretary of Defense Mark Esper said, partners' "reliance" on PRC firms "could also jeopardize our communication and intelligence sharing capabilities, and by extension, our alliances."[104]

Biden Administration officials reportedly share these concerns. Worries that PRC-firms' role in operating 5G communications technology in the UAE could allow the PRC to discern sensitive operating information about U.S.-origin military platforms, along with U.S. concerns about PRC state-owned firms' operations at the UAE's Khalifa Port, appear to have contributed to the 2021 suspension of U.S.-UAE talks on a proposed sale of F-35 aircraft.[105] Following the suspension of the talks, UAE officials announced plans to proceed with cooperation with PRC-based Huawei on telecommunications and other technology projects. The UAE also announced plans to purchase 12 light attack training aircraft from a PRC state-owned defense company, with the option for 36 additional aircraft.[106]

In July 2022, the Biden Administration announced that the United States and Saudi Arabia had agreed to a memorandum of understanding under which U.S. and Saudi technology companies may collaborate "in the advancement and deployment of 5G using open, virtualized, and cloud-based radio access networks and the development of 6G through similar technologies."[107] According to the Administration, "the partnerships built under the MOU will also support 5G deployment in Saudi Arabia and in developing and middle-income states thereafter" with "significant investment" from Saudi Arabia "under the umbrella of the Partnership for Global Infrastructure and Investment."[108]

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[100] The White House, Fact Sheet: U.S.-Israel Strategic High-Level Dialogue on Technology, September 30, 2022.

[101] Barak Ravid, "CIA Director Raised China Concerns with Israeli Prime Minister," *Axios.com*, August 18, 2021. According to Mira Resnick, Deputy Assistant Secretary of State for Regional Security at the State Department Bureau of Political-Military Affairs, "We know our partners and allies in the Middle East have trade relations with China and that's OK, but we made it clear that there is a certain kind of cooperation with China we cannot live with." Resnick testimony before Senate Foreign Relations Subcommittee on Near East, South Asia, Central Asia and Counterterrorism, August 10, 2021.

[102] For a Gulf-focused summary, see Mohammed Soliman, "The Gulf has a 5G conundrum and Open RAN is the key to its tech sovereignty," Middle East Institute, January 12, 2022.

[103] DOD, "As Prepared Remarks by Secretary of Defense Mark T. Esper at the Munich Security Conference," February 15, 2020.

[104] Ibid.

[105] Mohammed Soliman, "The Gulf has a 5G conundrum and Open RAN is the key to its tech sovereignty," Middle East Institute, January 12, 2022.

[106] Emirates News Agency, "Ministry of Defence intends to buy 12 L15 Chinese aircraft," February 23, 2022.

[107] The White House, Results of Bilateral Meeting between the United States and the Kingdom of Saudi Arabia, July 15, 2022.

[108] Ibid.

# Economic Relationships, Trade, and Investment

Though China's defense relationships in the MENA region remain limited compared to the United States, its trade and investment relations with MENA countries have grown in the past decade.

## Trade Relationships

China's total annual bilateral goods trade volume with countries in the MENA region reached approximately $288.4 billion in 2021, increasing from $213.5 billion in 2020 and the previous high of $277 billion in 2014. (See **Figure 5**) The patterns of China's trade with countries in the MENA region also has shifted significantly over the last decade. Prior to 2015, MENA region exporters ran persistent trade surpluses with China.[109] Beginning in 2015, the balance of the region's trade with China shifted to an overall trade deficit as MENA countries began increasing their consumption of PRC imports and China decreased its imports of commodities it historically imported from MENA countries, particularly oil and gas, by diversifying and turning to other partners.[110]

While the top categories of goods China trades with each country in the region vary, the region's exports to China generally are concentrated in the energy, mineral, and chemical sectors. The region's imports from China include consumer electronics, advanced machinery, steel, and pharmaceutical products. Between 2018 and 2020, the global prices of crude oil and other energy commodities trended downward, resulting in a widening trade deficit between countries of the MENA region and China. That deficit later narrowed as global oil prices rose in 2021 and 2022. Additionally, China's share of natural gas imports from the region is also on a steady rise as China begins to diversify away from sources in Australia and the United States, further contributing to a narrowing trade deficit.[111]

**Figure 5. China – MENA Goods Trade Balance**

($Millions)

**Source:** International Monetary Fund, *Direction of Trade Statistics*, updated August 26, 2022.

**Notes:** Excludes trade with Hong Kong and Macau. The value of MENA region exports to China largely reflects changes in global oil prices and volumes of PRC oil imports.

Unlike the United States, China currently does not have any bilateral free trade agreements (FTAs) with countries in the MENA region. (The United States has FTAs with Israel, Jordan, Bahrain, Oman, and Morocco.) However, the PRC government has pursued a series of initiatives

[109] China's trade with the MENA region has often fluctuated in line with the volume of oil China imports from the region. In 2018, for example, the region ran a trade surplus with China during a period in which China's imports surged. See *S&P Global*, "China ends 2018 with 10% crude import growth," January 14, 2019.

[110] In 2016, Russia became China's top source of crude oil imports, a trend that has largely continued to present. For more, see Reuters, "China May oil imports from Russia soar to a record, surpass top supplier Saudi," July 6, 2022.

[111] Tristan Kenderdine, "Middle East LNG Hedging in China's Energy Diplomacy," *The Diplomat*, March 12, 2021.

to boost trade with the region on a multilateral basis. China's accession to the World Trade Organization (WTO) in 2001 created market access opportunities by reducing tariffs imposed on PRC imports among WTO countries in the MENA region (i.e., Bahrain, Egypt, Israel, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, UAE, Tunisia, and Yemen). Meanwhile, China has pursued market access opportunities in non-WTO countries in the region (i.e., Algeria, Iran, Iraq, Libya, Lebanon, and Syria) via other fora including its Belt and Road Initiative (BRI, see textbox below) or via bilateral agreements such as the Iran-China 25-Year Cooperation Program (see **"Iran"** above).[112]

China's domestic politics and political dynamics in the MENA region have presented some obstacles to China growing its trade with MENA countries, but comments by PRC officials suggest openness to deeper economic engagement. FTA negotiations between China and the Gulf Cooperation Council (GCC) began in 2004, but stalled in 2009 when China maintained tariffs on oil exports from the region to protect its domestic oil industry, and again in 2016, reportedly because of some Gulf state objections to China's deepening ties with Iran.[113] In February 2023, PRC Foreign Minister Qin Gang said it is "important that the two sides [PRC and GCC] further expand co-operation in such areas as economy and trade, energy, infrastructure, investment, finance and high-tech … strengthen the China-GCC strategic partnership, and build a China-GCC free trade zone as soon as possible," and in September 2022 his predecessor said "both sides agreed to make joint efforts to reach a common ground on the China-GCC Free Trade Agreement at an early date."[114] The PRC government's involvement in brokering the March 2023 Saudi-Iranian diplomatic agreement and GCC engagement with Iran by governments in the UAE and Qatar may contribute to a more positive atmosphere for progress in China-GCC trade talks.

China and Israel also have been negotiating a bilateral FTA since 2016. Officials on both sides announced aims to sign an agreement by the end of 2022, but as of March 23, 2023, had not done so. The sides have made similar statements in past years, and prevailing political conditions in Israel at present may make a prompt agreement less likely. In 2021, China surpassed the United States as Israel's largest source of imports.[115] At the same time, any potential China-Israel FTA could face significant domestic opposition in Israel and/or from the United States, given Israel's close ties to the United States. In January 2022, Israeli officials reportedly pledged to notify the United States about any "significant deals" with China and to "reexamine these deals if opposition is raised."[116]

The PRC government also is seeking to expand the use of its currency, the *renminbi* (RMB), to settle trade in certain commodities. In 2015, Qatar launched the first RMB clearing hub in the MENA region, primarily to settle payments for exports of oil and gas.[117] The UAE followed in

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[112] Reuters, "Iraq was top target of China's Belt & Road in 2021 – study," February 2, 2022; U.S. – China Economic and Security Review Commission, *China-Iran Relations: A Limited but Enduring Strategic Partnership*, June 28, 2021.

[113] Inbar Pe'er, Niels Graham and Mrugank Bhusari, "Strengthening ties: China and the GCC," *Atlantic Council*, January 31, 2022.

[114] PRC Ministry of Foreign Affairs, "Qin Gang Has a Phone Call with Saudi Arabian Foreign Minister Faisal bin Farhan Al Saud," February 1, 2023; and, PRC Ministry of Foreign Affairs, "Wang Yi Holds a Meeting with Foreign Ministers of GCC Countries," September 20, 2022.

[115] Jordyn Haime, "China was Israel's largest source of imports in 2021, surpassing US," *Jewish Telegraphic Agency*, January 24, 2022.

[116] Jonathan Lis, "Israel Pledges to Inform U.S. on Major Deals with China," *Haaretz*, January 3, 2022; Ralph Jennings, "China, Israel free-trade deal, Beijing's first in the Middle East, in 'last stages' amid troubles with US" *South China Morning Post*, September 8, 2022. For additional background on U.S. concerns about China-Israel economic cooperation, see CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti.

[117] SWIFT, "The United Arab Emirates and Qatar drive RMB adoption in the Middle East," press release, January 28,

2018, and, in March 2022, the government of Saudi Arabia announced that it had begun talks with the PRC government to price some oil sales to China in RMB.[118] During PRC leader Xi Jinping's visit to Riyadh in December 2022, he announced that China would begin encouraging partners in the MENA region to use the Shanghai Petroleum and National Gas Exchange—a PRC state-run commodities exchange—to settle oil and gas transactions in RMB.[119]

## China's Investment in the MENA Region

China currently has bilateral investment treaties (BITs) in force with 11 countries in the MENA region, including Saudi Arabia, Israel, and Qatar, as well as a BIT with Jordan that was signed in 2001, but is not in force.[120] Many of these agreements were signed in the late 1990s and early 2000s in conjunction with China's "Going Out" strategy, which encourages PRC firms to seek overseas investment opportunities. At the time, China's leaders recognized the importance of foreign direct investment (FDI) in the region to China's future energy and natural resource security.[121] China's Belt and Road Initiative (BRI), launched in 2013 (then called 'One Belt, One Road' in English), has expanded China's financial ties in the region further by providing financing for major infrastructure, construction, and connectivity projects. All countries covered in the scope of this report have formally signed on to participate in the BRI or support BRI projects, with Syria joining the initiative most recently in January 2022.[122]

Among China's BRI-financed projects are a series of projects in MENA region port and industrial zone developments, such as the China-Egypt Suez Economic and Trade Cooperation Zone, the China-UAE Industrial Capacity Cooperation Demonstration Zone inside Abu Dhabi's Khalifa Port Industrial Zone, and the Duqm Special Economic Zone in Oman. The strategic location of these developments invites scrutiny of their potential dual use to advance PRC defense or intelligence purposes. (See discussion of the UAE's Khalifa port zone and the Israeli ports of Haifa and Ashdod, above.[123])

Estimates of the total scale of China's investment and financing in the region vary, as funds flow through a mix of government agencies, state-owned enterprises, and policy banks operated by the PRC government.[124] According to a database maintained by the American Enterprise Institute that

2016.

[118] "Agricultural Bank of China starts RMB settlement in UAE," *Xinhua*, May 10, 2017; and, Summer Said and Stephen Kalin, "Saudi Arabia Considers Accepting Yuan Instead of Dollars for Chinese Oil Sales," *Wall Street Journal*, March 15, 2022.

[119] "China to use Shanghai exchange for yuan energy deals with Gulf nations," *Reuters*, December 9, 2022; "China opens door to trade crude oil and natural gas in yuan," *S&P Global*, December 11, 2022.

[120] Arendse Huld, "China's Tax, Investment, and Trade Agreements with Countries in the Middle East," *China Briefing*, September 6, 2022; a full list of China's global BITs can be found at https://investmentpolicy.unctad.org/international-investment-agreements/countries/42/china.

[121] Amos Irwin, "Crossing the Ocean by Feeling for the BITs: Investor-State Arbitration in China's Bilateral Investment Treaties," *Boston University Global Economic Governance Initiative* (May 2014), https://www.bu.edu/gdp-cn/files/2017/07/China's-Bilateral-Investment-Treaties-Working-Paper.pdf.

[122] Ali Siddiqi, "China's 'Belt and Road' Risk in Syria May Reap Big Rewards," *VOA News*, January 27, 2022; Ali Siddiqi, "China's 'Belt and Road' Risk in Syria May Reap Big Rewards," VOA News, January 27, 2022; Ehud Eliam, "Israel and China: The Bloom is Off the Rose," Middle East Institute, December 1, 2022; and, Israel Patent Office, "New MOU in the field of IP with China," press release, February 2, 2022.

[123] Warren P. Strobel, "U.A.E. Shut Down China Facility under U.S. Pressure, Emirates Says," *Wall Street Journal*, December 9, 2021.

[124] For more on tracking China's global investment and financing, see CRS Report R46302, *Tracking China's Global Economic Activities: Data Challenges and Issues for Congress*, by Andres B. Schwarzenberg.

tracks China's investments and construction financing deals valued over $100 million, countries in the MENA region received a total of approximately $128.9 billion in investment and construction financing from China between 2013 and 2021.[125] Data on total lending across all economic sectors by China's state-owned enterprises and policy banks published by AidData, a non-profit U.S.-based research group, estimates that entities in the MENA region received approximately $103.6 billion in loans from China between 2013 and 2017.[126] These transactions largely were concentrated in the energy sector and included, among other deals: export financing to purchase large quantities of oil and gas from Iran, Qatar, and Saudi Arabia; investments in oil and natural gas infrastructure in Iran, Iraq, and Qatar; and investments in port and railway infrastructure, including lease agreements to operate major facilities in Israel, Saudi Arabia, and Syria.

**China's Belt and Road Initiative[127]**

CPC General Secretary Xi Jinping in 2013 launched an ambitious and multifaceted foreign economic policy initiative—*One Belt, One Road*—to expand China's global economic reach and influence. In 2015, Beijing changed the English name to the *Belt and Road Initiative.* In October 2020, the CPC's Central Committee reaffirmed the effort's central role in national economic development and securing China's supply chains. A January 2021 White Paper, *International Development Cooperation in the New Era*, issued by China's cabinet, highlights the initiative's role as a platform for China's global commercial activity. China's state banks (including the China Export-Import Bank and the China Development Bank), state firms, and government guidance funds (e.g., the Silk Road Fund) undertake a large share of China's overseas lending and investment, including BRI projects.

BRI aims to develop China-centered and -controlled global infrastructure, transportation, trade, and production networks. While BRI initially focused on Asia, Europe, and Africa, the scope has become global and encompasses over 100 countries, including the United States. It includes a land-based Silk Road Economic Belt, a 21st Century Maritime Silk Road, and a Digital Silk Road that seeks to promote overseas China's information and communications technology (ICT) supply chain, including hardware, and optical cable and satellite networks. China's strategic investments are typically state-sponsored and aim to advance China's economic and foreign policy goals. A handful of China's state-owned enterprises controlled by the central government operate and control most projects. Governments in the United States, Australia, Europe, and Japan, among others, have expressed concern that BRI projects advance China's commercial, geopolitical, and strategic goals while undercutting the economic role and political influence of the United States and multilateral institutions.

While much of China's investment in the region is focused on energy and construction projects, PRC-based firms in the emerging technology sector also are moving into the region through various joint venture agreements in areas of high priority for China's industrial policies. These include information and communication technology. Firms such as Huawei and Alibaba have signed memoranda of understanding (MOUs) in Saudi Arabia, Bahrain, Iraq, Iran, and Egypt to implement "smart city" projects that include co-development of surveillance, data storage, and machine learning technologies.[128] During Xi Jinping's December 2022 visit to Riyadh, the government of Saudi Arabia signed an MOU with Huawei for the provision of cloud computing and hardware services for surveillance and communications networks in cities across Saudi Arabia, further expanding the footprint of China's smart city model in the country.[129]

[125] American Enterprise Institute, "China Global Investment Tracker," last updated July 2022, https://www.aei.org/china-global-investment-tracker/.

[126] AidData, 2021. AidData's Global Chinese Development Finance Dataset, Version 2.0.

[127] See CRS In Focus IF11735, *China's "One Belt, One Road" Initiative: Economic Issues*, by Karen M. Sutter, Andres B. Schwarzenberg, and Michael D. Sutherland.

[128] For an overview of all of China's technology investments in the region, see Australian Strategic Policy Institute, "Mapping China's Tech Giants," last updated June 2021, https://chinatechmap.aspi.org.au/#/homepage/.

[129] "Saudi's Ministry of Communications and Information Technology inks Mou with Huawei," *Zawya*, press release,

Israel also has become a target of large amounts of PRC investment and venture capital funding, particularly in the biotech and agricultural technology sectors, which are priority sectors in China's *Made in China 2025* initiative.[130] A 2020 RAND study estimated that between 2011 and 2018, Israel's technology and agriculture sectors received roughly $11 billion of PRC-origin investment, with some experts noting concentration of investments in sectors of potential concern to U.S. national security, including biotechnology, cloud computing, and machine learning.[131] As noted above (see **"Security and Defense Relationships"**), in October 2019, Israel established an advisory mechanism to monitor investments by China and outside investment funds in certain strategic sectors, with limited authority to block or influence deals.[132]

## MENA Region Investments in China

Public and private sector MENA region investors have made portfolio and direct investments in China over the last twenty years amid the rapid growth of China's economy and burgeoning China-MENA region trade. The UAE's Mubadala sovereign wealth fund reports that it has more than 70 investments in China as part of a $10 billion investment partnership with China Development Bank Capital and the State Administration of Foreign Exchange.[133] Saudi Arabia's Public Investment Fund (PIF) has not reported any investments in China as of September 2022,[134] but in November 2021, the PIF applied for Qualified Institutional Investor status under the PRC's program to allow outside entities to directly trade certain shares.[135] Qatar's sovereign wealth fund and state-owned entities have portfolio and direct investments in China, including a $10 billion joint investment vehicle with the China International Trust and Investment Corporation (CITIC) Group, and a 22% stake in CITIC Capital, CITIC Group's main investment arm.[136] Direct investments from the MENA region in the PRC are limited, but several current and planned projects in the energy sector and related industries demonstrate the centrality of energy trade to PRC-MENA region economic ties.

## Energy Relationships

Energy consumption in China has more than tripled since 2000.[137] China, home to 18.5% of the world's population, consumes more energy than any other country.[138] Consumption growth has resulted in increased demand for all energy commodities and sources, including coal, oil, natural gas, nuclear, and renewables. In the context of MENA-China relations, oil—including crude oil and petroleum products—is arguably the most important commodity.

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December 12, 2022.

[130] See CRS In Focus IF10964, *"Made in China 2025" Industrial Policies: Issues for Congress,* by Karen M. Sutter.

[131] Shira Efron, Karen Schwindt, and Emily Haskel, *Chinese Investment in Israeli Technology and Infrastructure* (Santa Monica: RAND Corporation, 2020), pp. 35-37.

[132] Noa Landau, "Israel Panel to Monitor Chinese Investments Following U.S. Pressure," *Haaretz,* October 30, 2019; and, Tom Hussain, "Israel steps up scrutiny of Chinese investments under pressure from US as it seeks to balance ties," *South China Morning Post,* January 30, 2022.

[133] Mubadala, "Mubadala in China." accessed September 14, 2022. Available at https://www.mubadala.com/cn-en.

[134] Saudi Arabia Public Investment Fund, "Investments Map," accessed September 14, 2022, available at https://www.pif.gov.sa/en/Pages/OurInvestments-Map.aspx.

[135] Matthew Martin, "Saudi Wealth Fund Moves Step Closer to Direct China Stock Deals," Bloomberg, November 4, 2021.

[136] Reuters, "Qatar buys 22 percent stake in China investment firm CITIC Capital," August 22, 2012.

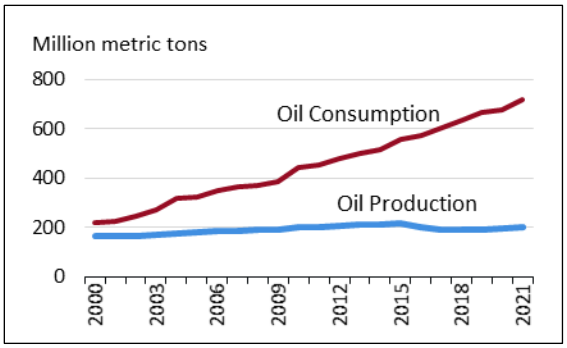
[137] BP, *Statistical Review of World Energy*, 2022, 71st ed.

[138] Ibid.

Much like total energy, oil consumption in China increased by more than threefold between 2000 and 2021. (See **Figure 6**.) At more than 718 million metric tons—approximately 15.4 million barrels per day—in 2021, China was the second largest oil consuming country. The United States was the largest.[139]

**Figure 6. China Oil Consumption and Production**

2000-2021




**Source:** CRS, with data from BP's Statistical Review of World Energy 2022.

China is the world's fifth largest oil producing country, having produced nearly 200 million metric tons—approximately 4 million barrels per day—in 2021.[140] Currently, oil production in China is roughly equal to that of Iraq, and larger than the United Arab Emirates, Iran, Kuwait, Algeria, and other MENA oil producers, except for Saudi Arabia. However, domestic production in China has generally been flat since 2000 and the consumption/production gap has widened over time. (See **Figure 6**.) As a result, oil refineries and fuel distributors in China acquire oil from the MENA region and from other international suppliers.

China's oil imports have increased by a factor of seven since 2000, reaching nearly 630 million metric tons in 2021.[141] China imports more oil than any other country. However, consistent with China's supply diversity objectives, the share of oil imports—including crude oil and petroleum products—supplied by MENA oil producers since 2000 has been relatively stable—within a range of 39% to 45%, and generally trending higher since 2017. (See **Figure 7** below.) Nevertheless, on a mass (metric tons) or volume (barrels) basis, PRC imports from the MENA region have increased in line with total oil imports. The majority of this MENA oil supply consists of crude oil from countries located in the Middle East, with limited amounts from North Africa. In addition to purchasing oil from these countries, China has sought ownership interests in oil producing projects, sometimes in exchange for infrastructure investment by China.

Middle East countries (Saudi Arabia, Iraq, UAE, Kuwait, Qatar, and Oman) supplied approximately 50% of China's crude oil imports in 2021.[142] According to PRC government data Saudi Arabia provided 1.75 million bpd of China's crude oil imports, making it the largest source of imports for 2022.[143] Russia surpassed Saudi Arabia as China's top source of crude oil imports for the first two months of 2023.[144]

[139] Ibid.

[140] Ibid.

[141] Ibid.

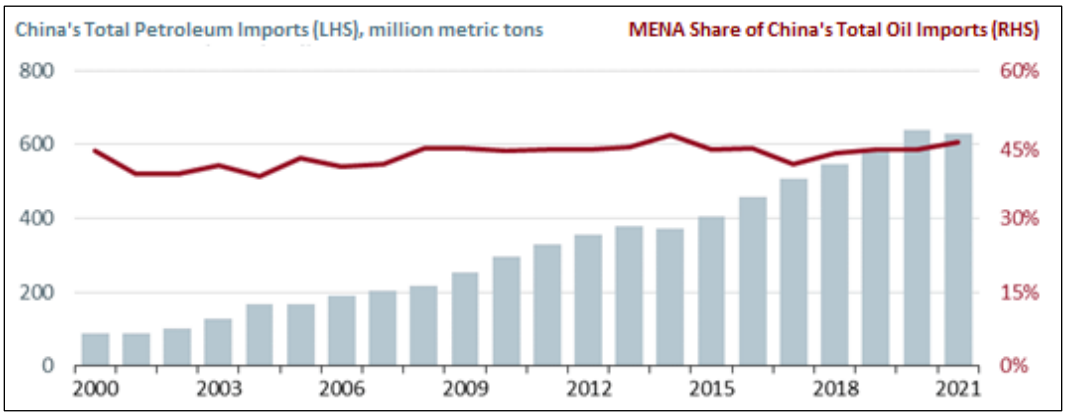
[142] U.S. Energy Information Administration, "Country Analysis Executive Summary: China," August 8, 2022.

[143] Reuters, "Russia is China's top crude supplier for Jan-Feb; volumes up 23.8% yoy," March 20, 2023.

[144] Ibid.

**Figure 7. China Oil Imports and Share of Oil Imports from the MENA Region**

2000-2021




**Source:** CRS, with data from BP's Statistical Review of World Energy, (2001-2022 editions).

**Notes:** Includes crude oil and petroleum products. LHS = Left Hand Side, RHS = Right Hand Side.

Iran, currently subject to U.S. economic sanctions intended to prevent purchases of Iranian oil, also supplies oil to buyers in China. While PRC statistics and oil tanker information indicate smaller oil import volumes from Iran than from other PRC suppliers, oil market analysts estimated in April 2022 that PRC buyers imported between 575,000 and 650,000 barrels per day (bpd) of Iranian oil during certain months of 2022.[145] That figure reportedly rose to 1.2 million bdp in December 2022.[146] In January 2023, U.S. Special Envoy for Iran Robert Malley said, "China is the main destination of illicit [oil] exports by Iran."[147]

With energy imports increasing, energy security is a growing policy priority in China, and the PRC government has initiated several efforts aimed at securing future oil supply. For example, state-controlled oil companies in China have announced plans to increase capital expenditures with the goal of increasing domestic oil production.[148] China has also created a strategic petroleum reserve (SPR) that could mitigate adverse economic effects from unforeseen oil supply disruptions. China is not a full member of the International Energy Agency and is not required to coordinate with the IEA on petroleum releases. However, China did participate in a U.S.-led drawdown of strategic petroleum reserves announced in November 2021.[149] Additionally, PRC-based companies often look to partner with Middle East oil suppliers. China and other East Asian countries such as Japan and South Korea are large oil consumers/importers and the oil and gas exports of the Persian Gulf region reach East Asia through maritime trade through the Strait of Malacca. These relationships may motivate symbiotic strategic partnerships, joint ventures, and investments aimed at securing either import (supply) or export (demand) customers.

Aramco, Saudi Arabia's national oil company, and China Petrochemical Corporation (known as Sinopec, and wholly owned by the China State-Owned Assets Supervision and Administration Commission) have established refining and petrochemical joint ventures located in both China

[145] U.S. Energy Information Administration, "Country Analysis Executive Summary: China," August 8, 2022.

[146] Alex Lawler et al., "Iranian oil exports end 2022 at a high, despite no nuclear deal," Reuters, January 16, 2023.

[147] Grant Smith, David Westin and Golnar Motevalli, "U.S. to Boost Pressure on China to Stop Importing Iran Oil, Envoy Says," *Bloomberg*, January 23, 2023.

[148] Ibid.

[149] The White House, "President Biden Announces Release from the Strategic Petroleum Reserve As Part of Ongoing Efforts to Lower Prices and Address Lack of Supply Around the World," November 23, 2021.

and Saudi Arabia. In 2022, the two companies announced further intent to collaborate on hydrocarbon production, refining, carbon capture, hydrogen, and other projects.[150] Other Middle East countries have similar joint ventures and partnerships with PRC-based companies. Iraqi authorities reportedly intervened on multiple occasions to prevent PRC-based firms from purchasing oil production assets from Western oil companies.[151]

Countries in the MENA region are also an important source of liquefied natural gas (LNG) for China, supplying approximately 16% of the 109.5 billion cubic meters (BCM) of LNG that China imported in 2021.[152] Qatar, by far China's largest LNG trading partner in the region, supplied China with 12.3 BCM in 2021, ranking third after the United States (12.4 BCM) and Australia (43.6 BCM). Other suppliers in the region include Oman (2.2 BCM), Egypt (1.7 BCM), and the UAE (1.0 BCM), among others. Although China primarily relies on pipeline imports of natural gas from Russia and Turkmenistan,

LNG consumption is growing in China, and the PRC government has invested in several import terminals to diversify its sources of natural gas imports. In 2022, Japan overtook China as the world's top LNG importer, as China decreased its LNG imports because of the country's COVID-19 lockdown and subsequent economic slowdown.[153] As China seeks alternatives to Australian and U.S. imports of LNG amidst growing trade tensions with these countries, China's major state-owned oil and gas companies are deepening commercial ties with Qatar. Sinopec and China National Petroleum Corporation announced in June 2022 that they are in advanced talks with QatarEnergy to purchase stakes in a major expansion of Qatar's LNG fields.[154] In November 2022, Sinopec signed a 27-year LNG deal with QatarEnergy estimated at $60 billion.[155]

# Other Exchanges

Historical Chinese cultural, religious, and commercial interactions with the Middle East provide precedents and symbols that some PRC and MENA country officials and interlocutors use when framing and building relationships. The idea of a revival of past linkages formed through the ancient Silk Road is perhaps the most widely used symbol of this type, but other common reference points include the 15th-century naval voyages to the Middle East by Muslim-Chinese imperial explorer Zheng He.

MENA-PRC people-to-people contacts have expanded in commerce, tourism, and exchanges of investment. As of 2021, the U.S. government estimated half a million PRC citizens lived in the Middle East and 1 million in Africa.[156] China's Muslim minority population numbers more than 20 million, and the historical presence of small Jewish communities in China are noted at times in PRC-Israel interactions.[157] MENA countries such as Egypt, Jordan, Israel, Saudi Arabia, and the UAE have sought to attract PRC tourists, though pandemic travel restrictions disrupted most tourism flows to the region from 2020 into 2022. Chinese firms completed high-profile

[150] Aramco, "Aramco and Sinopec sign MoU to collaborate on projects in Saudi Arabia," August 3, 2022.

[151] Reuters, "Iraq balks at greater Chinese control of its oilfields," May 17, 2022.

[152] BP, *Statistical Review of World Energy*, 2022 71st ed., pp. 36-37.

[153] Energy Intelligence, "Shell Sees China Playing Balancing Role in LNG," February 16, 2023.

[154] Reuters, "Exclusive: China firms in advanced talks with Qatar for gas field stakes, LNG offtake," June 17, 2022.

[155] Clara Tan, Yousra Samaha, Oliver Klaus, and Refiq Latta, Chinese Giants in Talks on Qatar LNG Stakes, *Energy Intelligence*, November, 28, 2022.

[156] DOD, *Report to Congress on Military and Security Developments Involving the PRC*, November 2021.

[157] For example: Yanping Gao, "China-Israel Relations Are Bound to Blossom," *The Jerusalem Post*, April 3, 2014.

construction and supply contracts related to the 2022 soccer World Cup, which was held in Qatar between November and December 2022.[158]

## Education and Language Programs

China has expanded its education programs rapidly since the early 2000s, including in areas supporting exchanges with foreign counterparts. At the university level, China hosts a number of platforms to promote educational exchanges with MENA countries, including a China-Arab Higher Education and Scientific Research Cooperation Seminar (under CASCF), a China-Arab University Presidents Forum, and a 20+20 Cooperation Plan for Chinese and African Institutes of Higher Education.[159]

One of the main areas of growth is instruction in Chinese language and culture. Between 2006 and 2019, China established 23 Confucius Institutes[160]—including 16 in Arab states, two in Israel, and one in Iran—and several Confucius Classrooms in the MENA region.[161] The PRC Ministry of Education in 2014 estimated the number of foreign exchange students between China and Arab countries at 17,000, though these numbers likely decreased through 2022 because of China's travel restrictions related to COVID-19.[162]

PRC institutions also have expanded into other areas of education. In Egypt, for example, China has opened two vocational colleges since December 2020.[163] These colleges, better known as *Luban Workshops*, are a signature initiative of President Xi's policy toward Africa, which he announced during the 2018 Forum on China-Africa Cooperation.[164]

In the UAE, Saudi Arabia, and Egypt, Chinese language is now being included in national curricula of public schools.[165] Saudi Arabia's Crown Prince Mohammed bin Salman directed in 2019 that Saudi schools must prepare to offer Mandarin Chinese language education, and Saudi authorities expanded initial efforts at selected schools to all schools for the 2021-2022 school

[158] Muhammad Zulfikar Rakhmat and Yeta Purnama, "China's Prominent Role in the 2022 Qatar World Cup," *The Diplomat*, December 5, 2022.

[159] Ji Qi and Shiyuan Ma, "China-Arab Education Cooperation: History and Current Situation," *Cultural and Religious Studies*, vol. 9, no. 6 (2021): 262-266.

[160] Previously known as the Office of Chinese Language Council International (and better known as *Hanban*), China's Center for Language Education and Cooperation (CLEC) administers China's language and culture programs today.

[161] University of Dubai, "Confucius Institute at UD Holds the First Joint Conference of all the Confucius Institutes in the Arab Countries,", May 2, 2019, quoted in Chai Shaojin, "China's Nascent Soft Power Projection in the Middle East and North Africa: Cultural, Educational, and Media Initiatives," in *Routledge Handbook on China-Middle East Relations*, ed. Jonathan Fulton (London, Routledge, 2022), p. 269.

[162] Ministry of Education of the PRC, "中阿互派留学生增速迅猛 去年超1.7万人" ("Mutual Exchange of China-Arab Students Growing Rapidly – Exceeded 17,000 Last Year"), September 14, 2015.

[163] Embassy of the PRC in the Arab Republic of Egypt, "埃及鲁班工坊'云揭牌'暨启运仪式成功举办" ("The 'Cloud Unveiling' and Launch Ceremony of Luban Workshop in Egypt Successfully Held"), December 2, 2020.

[164] Bo Bai, "唯一拥有两个鲁班工坊的国家！埃及鲁班工坊'云揭牌'" ("The Only Country with Two Luban Workshops! Cloud Unveiling of Luban Workshop in Egypt"), *Beijing Daily*, December 3, 2020.

[165] Chai Shaojin, "China's Nascent Soft Power Projection in the Middle East and North Africa: Cultural, Educational, and Media Initiatives," in *Routledge Handbook on China-Middle East Relations*, ed. Jonathan Fulton (London, Routledge, 2022), p. 265.

year.[166] Chinese is now an optional second foreign language for Saudi students alongside English.[167]

Some MENA countries also support Arabic language and cultural education in China. The UAE established the Sheikh Zayed bin Sultan Al Nahyan Center for Arabic and Islamic Studies at Beijing Foreign Studies University in 1990; Oman established the Sultan Qaboos Chair of Arabic Studies at Peking University in 2007; Qatar established the State of Qatar Chair in Middle Eastern Studies at Peking University in 2014; and Saudi Arabia established the King Abd al Aziz Public Library at Peking University in 2017. The study of Arabic language has expanded significantly in China since the early 2000s, with dozens of universities offering Arabic language instruction and national testing standards facilitating the assessment of program graduates.[168]

## Official Media Reach and Exchanges

The PRC maintains a robust official media presence in the MENA region through numerous platforms. Major PRC state-owned and state-affiliated outlets (e.g., Xinhua and People's Daily) have Arabic language websites, which carry the PRC's official perspective for an Arabic-speaking audience. Since 2009, China Global Television Network, the international subsidiary of the official China Central Television, has maintained an Arabic language television channel, CGTN Arabic.[169] China Radio International (CRI) also publishes content in Arabic, Hebrew, and Persian. Many of these outlets maintain active accounts on social media including Facebook and Twitter.

China-MENA exchanges in the media sphere have developed rapidly over the past two decades. This development has been evident through frequent (often recurring) exchanges, which have provided platforms for cooperative projects, as well as opportunities for officials and journalists to engage the other side. The Chinese-Arab Media Dialogue of 2016, for example, convened representatives from 12 PRC-based newspapers, news agencies, and over 30 representatives from Arab media institutions, in addition to the Arab League.[170]

In the prelude to Xi's December 2022 visit Riyadh, the state-owned China Media Group (CMG) and the Ministry of Media of Saudi Arabia jointly hosted the 2022 Chinese-Arab Media Cooperation Forum. The gathering, which included over 150 guests including government officials and media representatives, culminated in a number of agreements, including the launch of a "joint partnership initiative by CMG and Arab States Broadcasting Union to promote relations between China and Arab countries through the media."[171] During the meeting, the president of CMG, Shen Haixiong, stated that CMG "will take the forum as an opportunity to deepen communication and strengthen cooperation with all sectors of the Arab community, using the media to enhance mutual support and expand cooperation to jointly build a China-Arab community with a shared future."

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[166] Saudi Gazette, "Saudi schools start teaching Chinese language," January 19, 2020.

[167] Mohammed Al Kinani, "A new era for the Chinese language in Saudi Arabia," *Arab News*, October 6, 2021. Several Saudi universities incorporate Chinese language education into their curricula, and the University of Jeddah has made Chinese language study a compulsory component of its preparatory program for incoming students.

[168] Lin Fengmin and Lin Zhe, "Arabic education in Chinese universities: A historical perspective," in *The Arabic Classroom*, Routledge, 2019, pp. 231-246.

[169] See Mohamed El Aassar, "How China Won Over the Arab World," BBC Monitoring, November 5, 2020.

[170] Xinhua, "China, Arabs Look for Enhancing Media Cooperation," Beijing Review, January 19, 2016.

[171] "2022 Chinese-Arab Media Cooperation Forum Held in Saudi Arabia," CGTN, December 7, 2022.

PRC-based media entities and groups are increasingly working with local partners to further disseminate their content. For example, in November 2018, the PRC's ministry-level National Radio and Television Administration (NRTA) reached a three-year memorandum of understanding with pan-Arab MBC Group to develop joint content and programming. Similarly, in 2017, a China-based international education media group (China Educational Channels) signed a contract with a MENA television platform "to help spread Chinese voices to the Middle East and North Africa."[172]

### Notable Bilateral and Multilateral Exchanges

In addition to the above, China holds regular exchanges with MENA countries through several other channels. CASCF sponsors a number of regular meetings, including the Symposium on China-Arab Relations and China-Arab Civilization Dialogue, the China-Arab Entrepreneurs Conference and Investment Seminar, and the China-Arab Energy Cooperation Conference. China also convenes the region for a Middle East Security Forum, the second iteration of which was held in September 2022.[173] Some exchanges are also carried out by the state-affiliated Chinese Islamic Association, which coordinates annual Hajj pilgrimage trips for PRC nationals.[174]

## Outlook and Options for Congress

Energy and investment linkages between China and the MENA region appear likely to grow at least through 2030, particularly in the Persian Gulf region. The U.S. Department of Defense assesses that "the PRC is very likely already considering and planning for additional military logistics facilities to support naval, air, and ground forces projection," including in the MENA region and adjacent areas of East Africa and the western Indian Ocean region.[175] If the PRC considerably strengthens its military logistics capability in or near the MENA region, it could pose questions for U.S. military planners in the event of confrontation or conflict in the MENA region and/or between the United States and China.

Some MENA governments, most notably Saudi Arabia and Iran, appear to be exploring and embracing China's potential as an alternative to the United States as a partner in some sectors, but PRC-MENA security cooperation remains limited in comparison to the close and long-established nature of U.S. security partnerships with key MENA states. Familiarity accrued through decades of cooperation provides an advantage to the United States with many MENA partners, even if popular opposition to U.S. choices and official discomfort with some U.S. policies persists. U.S. firms' reputation for quality and reliability similarly confers some commercial advantages over their often-lower cost and less proven PRC rivals. This dynamic may not be decisive when MENA partners' cost concerns are paramount or when MENA entities seek alternatives to U.S. technologies or cooperation that are either unavailable or come with conditions based on the MENA partners' relations with other countries or human rights practices.

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[172] Nan Bi, "China Educational Channels to air in Middle East and North Africa," *China Daily*, October 26, 2017.

[173] PRC Ministry of Foreign Affairs, "王毅出席第二届中东安全论坛" ("Wang Yi Attends the Second Middle East Security Forum"), September 21, 2022.

[174] For more on the Chinese Islamic Association, see 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.

[175] DOD, Report to Congress on Military and Security Developments Involving the PRC 2022, November 2022, pp. XII, 143-145.

The Biden Administration has restated U.S. interests and priorities in its policy toward the Middle East, and U.S. officials have signaled publicly that the United States does not intend to cede influence in the MENA region to China. The Administration has also suggested it may impose penalties on U.S. partners and adversaries who act to further PRC influence to the detriment of U.S. interests. During President Biden's July 2022 visit to the Middle East, he set forth five declaratory principles – "partnership, deterrence, diplomacy, integration, and values" – to guide future U.S. engagement in the region:

> 1. Partnerships: The United States will support and strengthen partnerships with countries that subscribe to the rules-based international order, and we will make sure those countries can defend themselves against foreign threats.
>
> 2. Deterrence: The United States will not allow foreign or regional powers to jeopardize freedom of navigation through the Middle East's waterways, including the Strait of Hormuz and the Bab al Mandab, nor tolerate efforts by any country to dominate another – or the region – through military buildups, incursions, or threats.
>
> 3. Diplomacy: The United States will not just aim to deter threats to regional stability, we will work to reduce tensions, de-escalate, and end conflicts wherever possible through diplomacy.
>
> 4. Integration: The United States will build political, economic, and security connections between U.S. partners wherever possible, while respecting each country's sovereignty and independent choices.
>
> 5. Values: The United States will always promote human rights and the values enshrined in the UN Charter.[176]

In considering whether and how the United States might respond to burgeoning PRC-MENA relationships, Members of Congress might consider and debate whether China's expanding presence and partnerships in the MENA region inherently challenge or threaten vital U.S. interests, and whether or not some types of competition or cooperation are appropriate and manageable. Members may consider conditions or limits on U.S. security cooperation, foreign assistance, and/or arms sales to partners who engage in security or commercial cooperation with the PRC that they determine jeopardizes U.S. national security, with one factor being whether such conditions or limits might be more likely to result in partners reducing cooperation with the PRC, or with the United States. Congress also could consider whether new sanctions against those who facilitate PRC military or intelligence operations in the MENA region or elsewhere would advance or work against U.S. interests. In addition to or in place of those options, Members may consider measures to strengthen U.S.-MENA trade, security, and/or energy ties.

Congress might explore the risks of MENA governments and entities willingly or inadvertently exposing sensitive U.S. technologies to the PRC government. If U.S. partners in the MENA region proceed with the adoption of PRC telecommunications equipment or weapons systems, then the risks associated with the compromise of sensitive U.S. data or U.S. defense systems may increase. Members may consult with the executive branch on appropriate measures that the U.S. government and partners might take to mitigate such threats, including U.S. efforts to promote adoption of non-PRC-based technologies and develop cooperative alternatives. Congress also might examine existing U.S. export controls, consult with private sector and executive branch counterparts, and consider whether changes would be beneficial.

Congress could seek information on PRC cooperation with U.S. partners through required reporting, briefings, or regular consultations. In the 117th Congress, H.R. 6269 would have

[176] The White House, Fact Sheet: The United States Strengthens Cooperation with Middle East Partners to Address 21st Century Challenges, July 16, 2022.

directed the Administration to inform Congress on "cooperation between China and the United Arab Emirates on strategically sensitive matters that implicate U.S. national security interests, including defense and technology."

Annual appropriations and defense authorization measures provide opportunities for Members to shape future resources and authorities available to the executive branch to respond to PRC influence in the MENA region. Annual appropriations and authorization bills, among others, also provide opportunities to alter or expand requirements for the executive branch to provide information to Congress about China-MENA relations in support of oversight.

Congress may conduct regular oversight to determine how U.S. diplomatic, humanitarian, educational, and cultural engagement in the MENA region compares to that of the PRC, including by monitoring how the executive branch allocates foreign assistance and defense funds appropriated by Congress, and by assessing the extent to which U.S. aid programs in the MENA region account for U.S.-China competition. Specifically, Members may examine the Administration's use of Countering PRC Influence Fund appropriations and the efforts of the State Department's Global Engagement Center (GEC) to counter PRC-linked propaganda and disinformation in the MENA region.

As Congress considers options for responding to potential conflict across the Taiwan Strait, Members may engage with the Biden Administration and MENA region partners to examine options in light of the important roles for MENA energy supplies and sea lines of communication in the economic security of both the PRC and U.S. partners in East Asia. Congress may examine related scenarios and the likelihood and implications of confrontation or conflict for energy markets, trade flows, and U.S. military operations, comparing and contrasting to considerations involving Russia's invasion of Ukraine.

Congress might also consider whether and how best to communicate to U.S. partners and rivals in the MENA region U.S. concerns about China's presence and activities in the region, what incentives or terms the United States might offer for deeper U.S.-MENA partnership, and what specific steps the United States is prepared to take to defend or advance U.S. interests.

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