

Emerging Dynamics of China's Belt and Road Initiative in the Middle East

Naila Mastoi

M. Phil Scholar

Department of International Relations

Federal Urdu University Of Arts, Science And Technology

nailaliaquat.ir@fuuast.edu.pk

Abstract

The Middle East plays a crucial role in world politics, economy, and military affairs. It is also a key location for the Belt and Road Initiative (BRI), which aims to expand access to both land and marine routes. China has gradually increased the depth of its collaboration with Middle Eastern nations since the BRI initiative. The research question of this study is to understand why China's policy focuses on the Middle East region for the BRI project and how China's BRI initiative will change dynamics in the Middle East. The present study aims to China's relations with the Middle Eastern nations are affecting bilateral trade, commercial, and the smooth operation of the Initiative. This chapter uses a qualitative approach, purposefully analysing current literature, policy papers, and official declarations to provide readers with a thorough grasp of the subject. Results from this approach are thorough, dependable, and resistant to criticism. The analysis will be conducted through the lens of realism theory. This approach provides a framework for understanding China's relations with Middle Eastern nations is affecting bilateral trade, commercial ties, and the smooth operation of the Belt and Road Initiative. The findings from this research identify the concept of realism approach to China's growing influence in the Middle East, driven by diplomatic engagement and oil dependency, which has created a new geopolitical dynamic, allowing regional players to broaden alliances.

Keywords: *Emerging Dynamics Belt and road initiative, changing dynamics, Middle East, and bilateral trade.*

Introduction

The Middle East is strategically important to China's foreign policy goals, as demonstrated by the country's 2013 launch of (BRI). The program uses the Maritime Silk Road and the economic belt of the Silk Road to link markets from the East China Sea to the Mediterranean. China's Economic Corridor represents the Middle East even though the Initiative (BRI) includes more than six initial pathways. The primary objectives of China's initiative project (BRI) and soft power tools in the Middle East are stability, rebuilding, and peace. China's role in the March 2023 restart of diplomatic relations between Iran and Saudi Arabia highlights its belief that developing friendly diplomatic relations and enhancing shared security perceptions are crucial (Chen, 2023). China has maintained a distance from direct risks in the Middle East, but new challenges are expected due to the outcome of nuclear negotiations with Iran. China has expanded its bilateral relationship with Iran, signing a 25-year cooperation pact, and has been cooperating with Iran more recently. China has also strengthened economic relations with Kuwait, United Arab Emirates, Saudi Arabia, Qatar and Oman, Bahrain, particularly in the oil and gas, telecommunications infrastructure, and technology sectors. China has also played a significant role in projects in Egypt, particularly the business district. China's (BRI) has demonstrated shared interests and enhanced cooperation with other projects supporting economic and social reforms. The keystone of the BRI is the creation and expansion of the Silk Road, which would unite China to the Mediterranean through the SCS, the "Indian Ocean" Egypt Canal. A constant supply of oil is vital because of China's fast

modernization and economic growth, which have raised the country's energy consumption (Lukeš, 2023). The Middle East is essential to supplying this need because of its huge oil reserves. To protect its oil interests, China has developed ties with nations that produce the fuel, made investments in energy-related infrastructure, and maintained a neutral foreign policy. These goals are achieved through infrastructure, trade, and economics. As rival regional countries in the Middle East vie for influence, China is emerging as a crucial strategic player. China has improved its stance and increased its involvement in the region as a result of shifting security dynamics and rising tensions. The Chinese government and state-owned companies have been working on the Silk Road Industrial Belt (BRI) since 2015, with the help of a strategy document that outlines objectives, areas of priority for cooperation, and the layout of an industrial corridor. The program's goals are to promote open trade, financial integration, political collaboration, facility connectivity, and interpersonal relationships with participant states. With cooperation from more than 130 countries, the BRI attracted international notice at its inaugural conference held in Beijing in 2017. President Xi Jinping's leadership and China's long-term foreign policy objectives are linked by the Belt and Road Initiative, which is expressly stated in the Chinese Communist Party constitution. China has carefully built connections with countries in East Asia to protect its energy supplies going forward. This is a strategic move. China has established long-term agreements with countries in the Middle East, offering stability. China's non-interventionist doctrine reflects its efforts to maintain objective and diplomatic relations with Middle Eastern nations (Moonakal, 2022).

China's Policies Are Centred on the Middle East

The Middle East's strategic location connecting the east and West and its status as the world's largest provider of conventional energy—that's why China's policy is heavily focused on the Middle East. China's imports of oil from the Persian Gulf are facilitated via the Development Road. China's national ambitions in every nation are primarily concentrated on economic connections and state-owned businesses strictly follow political agendas. China is going to create relationships with individual nations rather than the region as a whole; taken as such, these moves counter the American strategy in the area. These initiatives, with their trade routes and in China's regional integration, are a challenge to U.S. interests because of the benefits they confer on China. The US employed a range of sanctions and diplomatic measures following the Belt Road in 2013 to block diplomatic relations between Middle Eastern nations and China. To establish economic lines and counter China's "BRI", the United States is allying with the G20 Summit in India including the economic corridor between Middle Eastern Europe and India. (Çalışkan, 2023). The progress that China and other Middle Eastern nations have made in recent decades is apparent, even though some participants inflated the trip's importance. (Jiang, 2022). The complexity of global energy flows because of the invasion of Ukraine by Russia is evidence of the strategic importance of traditional energy, particularly in the Arab world. China is the biggest user of fossil fuels, importing 40% of its natural gas and 70% of its oil. Since 1993, China has been a net importer of energy. China and Qatar have agreed worth \$60 billion to provide China with millions of tons of natural gas annually. China has become the top commercial partner of the Arab world since 2020, demonstrating that it draws in Middle Eastern security. China's two-way trade hit \$330 billion in 2021. During Xi's visit to the region in 2016, China was the largest foreign investor; yet, since 2009, FDI flows have remained at \$5.5 billion. China and Iran signed a 25-year agreement in 2021 as part of their Strategic Partnership, which exploded a great deal of criticism in the West. China has maintained comparable strategic alliances with twelve Arab Middle Eastern nations throughout the years and it enjoys unmatched peaceful ties with all the players in the turbulent area, including Tehran's enemies. In keeping with its policy of non-interference, China keeps a

"positive balance" in its interactions with the area. Nevertheless, there has been a growing indication of its readiness to take part in security mediation related to the Israeli-Palestinian issue, Iraq, Libya, Sudan and Yemen. A source of worry for its neighbours, China has actively engaged in the negotiations for the Iran nuclear deal and the follow-up renewal. It has also utilized its ten-year UN Security Council veto power to thwart Western efforts against Syria's Bashar al-Assad government. Syria joined the Arab countries in 2022 for Xi's Belt and Road Initiative, while in 2021 Iraq emerged as China's primary BRI destination, securing \$10.5 billion in contracts and exhibiting greater Chinese confidence. Since 2013, more than 200 significant energy and infrastructure projects have been finished in the region, achieving many of the "hard connectivity" and "soft connectivity" goals of the Belt and Road Initiative despite significant implementation challenges. Many ports, railroads, highways, power plants, pipelines, communities, industrial parks, and free-trade zones that connect East and West from the Persian Gulf to the Mediterranean Sea have been built or sponsored by Chinese firms in the Middle East. These projects all make use of the phenomenon known as a hub. China has been laying the groundwork for future infrastructure and technology for the past decade, extending beyond concrete and rebar. It has established a network of "Silk Roads" across various industries, including health, space, and digital and data domains. These networks include vaccine production and distribution hubs, joint satellite launches, lunar explorations, and collaboration on the Bei Dou Navigation Satellite System. Middle Eastern officials are frequently visiting Beijing to further the Road Initiative (BRI), focusing on policy communication, trade, financial integration, and people-to-people ties. The BRI will be integrated with regional development plans like KSA, Qatar, and Egypt Vision 2030, connecting their destiny to China's. China views the Middle East as a counterbalance to the North's excessive dominance, particularly in matters concerning its core interests, including Taiwan, Tibet, Hong Kong, and Xinjiang. China's foreign minister's praise by the Organization of Islamic Cooperation (OIC) makes Accusations of genocide and crimes against humanity less painful, as it sees the Middle East as a counterbalance, 2023).

Chinese Investment in Middle East

China is now a major commercial partner and foreign investor in the Middle East, having considerably increased its political, economic, and security footprint throughout the last ten years. In 2017, China opened its 1st military base in Djibouti located near the Suez Canal and "Bab al-Mandab" Strait. Chinese companies invested billions in the region, expanding ports, constructing airports and railways, and creating a free-trade zone. This strategy exemplifies China's "first civilian, then military" mentality, investing in infrastructure for economic gain and then converting it to military use. This approach also gave Beijing significant political influence, facilitating the base's launch. Chinese military experts consider Djibouti a strategic strong point for securing trade routes. As China's interests expand, it may build a second stronghold in the area to protect its trade along the Strait of Hormuz. The waterway is a known focus area for Chinese military planners, as it is traversed by nearly one-third of seaborne crude oil annually. China built several facilities at Khalifa Port in the United Arab Emirates (UAE) and an oil pipeline that runs to the Port of Fujairah; at the newly developed Duqm Port in Oman, it is investing billions of dollars. These investments benefit China and its allies economically in the short run, but they could also pave the way for the PLA to further project power in the area of the Strait of Hormuz. Three times more than the combined imports of crude oil from the US and EU, China imported \$128 billion worth of it from nations around the Strait of Hormuz and the Persian Gulf in 2021. Up to 45% of China's oil imports pass via the strait, according to analysts there. As a result, they have advocated for increased coordination with neighbors to guarantee the safe transit of energy resources. State-owned companies (SOEs) in China have invested a lot of money in attempting to resolve the

Hormuz problem. The Habshan-Fujairah oil pipeline, which avoids Hormuz by traveling 380 kilometers from the UAE's interior to the Port of Fujairah, was built between 2008 and 2012 by the China Petroleum Engineering and Construction Company. Although there were multiple delays during construction, the \$3.3 billion pipeline was eventually finished. A significant Fujairah terminal that runs 36 tanks for the storage of oil, gasoline, and other chemicals is 50% controlled by Sinopec, another significant state-owned company. Faw Port, which was constructed on Iraq's Persian Gulf coast, is scheduled to open for business in 2025. Complete with industrial zones and services, the port is set to become the largest container port in the Middle East with a planned total of 90 berths. With an estimated yearly capacity of 99 million tons, Faw Port spans an area of more than 16 square kilometres. As part of the "Development Road" project, a 1200-kilometer road and train network will be constructed to connect Faw Port to Turkey. The goal of this 17 billion USD project is to build a corridor for transportation from Asia to Europe. Starting in Basra and extending via the Mosul, Baghdad, Karbala, Najaf, and Karbala provinces, the Development Road is expected to reach Turkey via Mersin Port, where it can link to Europe in less time than the Suez Canal. The Chinese government has stated that it intends to make financial contributions to both projects in addition to reaching a \$10 billion agreement with Iraq. China's interests in the region are reinforced by these projects' basic qualities. (Çalışkan, 2023).

The Middle East's Dynamics will Shift as A Result of China's Belt and Road Plan

China changed its position in the Middle East by tying it to Eurasian and Indian Ocean with the unveiling of the "Belt Road Initiative". China's strategy towards the Middle East is becoming increasingly ambitious and challenging concerning diplomatic, security, and economic matters, given the region's critical role in the BRI. These can be seen in two white papers from China "Vision and Actions" which outline five areas of cooperation to prioritize when building relationships with states part of the Initiative (BRI): political coordination, infrastructural connection, unhindered People-to-people, trade, and financial integration linkages. The Chinese narrative that the BRI is a development-centred effort is supported by the lack of security and military cooperation. These priorities offer a roadmap for China's growth in its connections with the Middle East in the upcoming year. Middle Eastern nations have seen notable changes in their political perspectives in the last several months. Arab countries have traditionally been loyal allies of the US in international affairs, but current developments seem to indicate a change in those relationships. The deal between Saudi Arabia and Iran has attracted a lot of attention because of worries expressed by the Western world and the Gulf Cooperation Council regarding Iran's possible danger to international security and regional stability. China, which is viewed as the US's principal competitor, has helped to arrange the Iran-KSA pact, with the KSA serving as the US's most important Middle Eastern strategic partner (Comms & Comms, 2020).

China and the KSA are developing closer strategic ties, which may influence US dominance in the area. The CIA director had previously visited KSA; now, White House national security advisor Jake Sullivan went there to speak with Saudi authorities. A key trading partner for the Kingdom of Saudi Arabia, with an annual bilateral trade volume of around 90 billion USD. Despite the US and KSA's continued security collaboration, China can perceive prospects for economic growth. Moreover, China is the Kingdom of Saudi Arabia's main oil buyer, a substantial position. Additionally, before the completion of the Saudi-Iranian agreement, China presented the concept of the "Global Security Initiative," which attempts to resolve international disputes. China's efforts to strengthen economic links in the region demonstrate a desire for expansion and are indicative of its strategic involvement and global governance model, which set it apart from Western models. The model plan takes into account China's particular goals, which may differ from those of the West, and prioritizes economic growth and stability. In addition to appealing to

Middle Eastern countries with possible US-Middle Eastern disputes, the situation questions Western principles.

It is anticipated that Chinese businesses in a range of sectors will look to expand their existence in Asia and Middle Eastern in order to strengthen China's political and economic influence, after China's position as a negotiator in the agreement between the Kingdom of Saudi Arabia and Iran. This might put Western businesses operating in the Middle East's market share in danger. The defense sectors are also expected to be influenced. For a long time, Saudi Arabia has been the primary customer of the United States, which has supplied the GCC with the majority of its contemporary armaments. It's uncertain China's growing sway in the GCC. It is possible, though, that American excitement for supplying the GCC with state-of-the-art weapon systems will be tempered by the growing influence of China in the area. Further, the GCC's defense contracts, which are frequently politicized and hence result in intense competition from China's defense organizations, may be influenced by China's growing influence.

Although there is no denying the importance of continuously strengthening the GCC's armed forces to protect economic interests and preserve stability, it may be argued that the GCC's military spending is in a dangerous scenario. With the recent deal between Saudi Arabia and Iran and supposing that Iran shows a genuine desire to maintain peaceful relations with both the Kingdom of Saudi Arabia and the GCC, it is possible that military spending in the GCC may decline shortly. The GCC has been purchasing significant and strategic weapons from the US over the years to reduce the danger posed by Iran. Given the present situation, it is very likely that as the peace accord is being implemented, the KSA and the GCC will progressively redirect their financial resources from US defense procurement to other developing economic priorities. This may be especially true for the Kingdom of Saudi Arabia, where a peace agreement with Iran influenced by China will guarantee the country's security while also reducing dangers and threats from the southern border, which is afflicted by the Houthis in Yemen, who are supported by Iran. In keeping with the Vision 2030 of Crown Prince Mohammed bin Salman, the choice to give the Kingdom's vital economic developments and strategic investments priority is directly related to the requirement of reducing the possibility of clashes with Iran. In this sense, regional defense economics in the years to come will reveal if the increase or decrease in KSA and GCC defense spending has a visible influence on the GDP of the countries as opposed to shifting defense budgets to other forms of economic development. (ELDoh, 2023).

The oil production cut in OPEC+ in October is a sign of political shifts in the GCC and Saudi Arabia, countering US strategic interests and helping Russia get under Western sanctions due to the conflict in Ukraine. The KSA reduced its oil production in support of Russia and Egypt, a strong friend of the US, planned to provide military assistance to Russia. The US has also claimed that South Africa supplied missiles and arms to a sanctioned Russian cargo ship. South Africa's President Cyril Ramaphosa called the Egyptian government to discuss the Russian-Ukrainian crisis and its negative influence on developing countries, particularly in Africa. Efforts are being made to restore diplomatic ties between Egypt and Iran, with recent moves towards Iran possibly influenced by the KSA.

The region's changing geopolitics is also evident in the recent return of Syria's president, Bashar al-Assad, to the Arab League following an almost 12-year suspension. Russia and Iran have provided significant support to the Assad administration over the past decade, despite strong resistance from most Arab nations, except for Egypt. The United Arab Emirates has welcomed President al-Assad with affection and invited him to the COP28 climate summit. This is the first high-level visit of the Saudi kingdom official to Syria since the start of the Syrian war. Saudi Arabia has resumed diplomatic relations with the Syrian Arab Republic and invited al-Assad to attend the forthcoming Arab League summit in Jeddah on 1 May. The way the Arab countries stand toward President al-Assad on the regional stage is indicative of the aligned political changes

occurring in the Middle East. U.S.A. maintains a non-normalization stance with the Syrian regime. Arab countries' efforts to normalize relations with Syria and Iran have given them a strategic advantage, allowing them to gradually influence Hezbollah in Lebanon.

The East Asia changing political dynamics, influenced by China, Russia, and Iran, are causing significant geopolitical influence. The US's influence in the region has been significant for almost 50 years, but this new development could weaken it. The region's expanding strategic significance once and the multilateral diplomatic strength of Egypt, the UAE, and the KSA makes it crucial to exercise caution when making political decisions. Iranian nuclear program ambitions remain uncertain, even after normalized diplomatic relations with Iran. The Gulf Cooperation Council (GCC) views Iran as a destabilizing entity with nuclear ambitions, posing a serious threat to regional security. Tensions between the US and key Middle Eastern countries are likely to arise from China's growing influence in the region. To avoid political, al, security and economic disputes between China and the US, major countries in the region should prioritize aligning and coordinating their foreign policies. As these countries become more powerful, their national interests may conflict, leading to controversy, as seen in Sudan's recent events. (Waseem, 2023).

Findings

The key significance of the Center East for China holds vital centrality for China due to its part as a key supplier of routine vitality. China Belt and Street Activity (BRI) could be a comprehensive methodology that points to fortifying financial ties, upgrading discretionary relations, and securing a steady supply of oil from the locale. Financial and Discretionary Engagement. China has essentially expanded its financial and discretionary engagement with Center Eastern countries through the BRI. The activity includes major framework ventures, ventures in different segments such as oil and gas, and the creation of financial passages. This financial centre adjusted with China's non-interventionist convention, emphasizing solidness and conciliatory relations. BRI and Security Elements. China's inclusion within the Centre East through the BRI isn't exclusively financial but moreover contributes to changing security flow. The establishment of a military base in Djibouti and potential future fortifications illustrate China's captivate in securing its trade courses, particularly inside the purposely basic Strait of Hormuz. Move-in Unions and Geopolitical Affect. China's creating effect inside the Centre East is reshaping routine organizations together. The course of action between Saudi Arabia and Iran, energized by China, challenges U.S. dominance inside the region. This move has recommendations for defence contracts, military contributing, and geopolitical stream, conceivably influencing the GCC's reliance on the U.S. for defence obtainment. Influence on Regional Clashes and Watchfulness. China's position on regional clashes, such as the Gaza emergency, adjusts with Russia and may decline weight inside the centre East. The country's geopolitical manoeuvres in response to regional clashes may influence its associations with other nations, particularly in East Asia, and play a portion of the world control stream.

Recommendations

- **Improvement of Money-related Affiliations.**

Centre Eastern nations need to consider separating their budgetary affiliations to preserve a key separate from over-reliance on any single country, given the changing geopolitical scene. This appears to incorporate invigorating ties with various nations, checking both ordinary partners and rising assistants.

- **Key Course of Action and Coordination.**

Countries inside the centre East need to carefully study their national interface and intentionally alter themselves to investigate the moving geopolitical flow. Coordination among regional players can update collective security and budgetary robustness.

- **Balanced approach to defence contributing.**

The GCC and Saudi Arabia need to get a balanced approach to defence contributing, considering the progressing geopolitical circumstances. Studying the required for defence obtainment and redirecting financial resources toward other money-related needs can contribute to long-term dauntlessness.

- **Optional engagement with Various Powers.**

Optional endeavours got to open up past routine partners, cultivating relations with a collection of around-the-world powers. Locks in with both China and the U.S., among others, can grant centre Eastern nations with utilization and versatility in investigating geopolitical challenges.

- **Imperative Examination of Regional Clashes.**

Centre Eastern nations have to be carefully assessing their positions on regional clashes, considering the potential proposals for their geopolitical standing. Understanding the nuances of around-the-world control flow and keeping up a key separate from ensnarement's that will antagonistically influence the national interface is pivotal.

- **Imperativeness Security Measures.**

Given China's reliance on centre Eastern oil, nations inside the region have to explore the imperativeness of security measures, ensuring unfaltering and commonly valuable essentialness organizations. This includes key organizing to guard the monetary interface while keeping up geopolitical autonomy.

Conclusion

China's approach intensely centres on the Centre East China's Belt Street Activity (BRI) has altogether affected its position within the Centre East, tying it to Eurasia and the Indian Sea locale. China's methodology is progressively driven and challenging in discretionary, security and financial things. The GCC's military investing is in a perilous circumstance due to the later bargain between Saudi Arabia and Iran, which may lead to a decrease in military investment. The GCC and Saudi Arabia may divert their money-related assets from the US defence acquirement to other financial needs. The region's changing geopolitics, influenced by China, Russia, and Iran, are critical due to its vital area and status as the world's biggest routine vitality supplier. China's national aspirations are fundamentally financial, countering the American methodology within the region.

The US has utilized sanctions and discretionary measures to piece relations and fashion organizations together China is the greatest client of fossil fuels, bringing in 40% of its normal gas and 70% of its oil. China has extended its nearness within the Centre East, especially in Djibouti,

representing its “first civilian, at that point military” mind-set. This involves implementing a financial support system and transitioning it to military use. China may construct a moment fortress to ensure exchange along the Strait of Hormuz. China's position on the Gaza emergency is disappointing to Israel and serves as a stark update of the treacheries confronted by the Palestinian individuals. China may have exacerbated territorial pressures by adjusting its later words with those of Russia. By the by, whereas the West is focused on Israel's Gaza strife, China may keep an eye on the circumstances and utilize it to encourage its geopolitical objective on Taiwan and the South China Ocean. This might make it conceivable for China to force its will on the zone. China's developing influence within the Centre East, driven by discretionary engagement and oil reliance, has made an unused geopolitical energy, permitting territorial players to broad.

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