

## Conclusions and Implications for Israel

---

From Israel's perspective, China's relations with Iran undermine its interests to the extent that Beijing palliates Tehran's difficulties and strengthens its capabilities. On the trade and commerce front, this includes helping replenish Iran's foreign exchange revenues and reserves. Even if they increase Iran's dependence on Beijing, any Chinese hard currency transfers to Iran and influx of capital into its energy, industrial, and transport infrastructure would help Tehran mitigate the bite of US sanctions, and are moreover likely to benefit the vehemently anti-Israel Islamic Revolutionary Guard Corps (IRGC), which controls significant economic stakes in the country.

Elsewhere, this includes China's vetoing Security Council resolutions on Tehran's conduct, and boosting its technological, cyber, intelligence, and military capabilities, notably now that the UN arms embargo on Iran has expired. If it occurs down the road, China's acquiescing to Iran's full membership in the SCO would likely also embolden Tehran, which views the regional organization as the closest thing to a countervailing bloc against the US.

Similarly, the presence of Chinese state-owned enterprises and their subsidiaries in construction and infrastructure projects in both Iran and Israel require careful treatment and insulation, and Jerusalem must assume information-sharing between Beijing and Tehran. Some of these projects are hotwired with control, signaling, and monitoring networks looped into broader urban or national-level grids that can be electronically disrupted and manipulated, while others may be located in the proximity of sensitive government sites including military, naval, and intelligence facilities. For instance, the China Railway Tunnel Group, which holds 51-percent shares in a joint consortium constructing much of the red line segment of Tel Aviv's light rail network, is a subsidiary of CREC, which is in turn partnered with the IRGC's Khatam al-Anbia conglomerate in the construction of the Tehran-

Qom-Esfahan fast rail. Likewise, Chinese investments and acquisitions in Israel's civilian tech sector, which is not subject to export controls by the Israeli government, also imply risks of technology leaks to Iran, potentially even with national security implications if these are manipulated for military purposes.

\* \* \*

In the Middle East, Israel benefits from China sticking to business and not taking sides – that is, other than Beijing's longstanding UN support for the Palestinians. On its own, Israel holds little prospect of directly and bilaterally influencing China's Iran policy, perhaps not even through its own innovation-anchored relations with Beijing. China's Comprehensive Innovative Partnership with Israel is, to be sure, unique in that it draws on the latter's reserves of technological invention and innovation, and hence gives Jerusalem some weight in China, a country seeking to become a technological powerhouse itself. Yet even here, Israel must take into consideration the concerns of the US, its primary major power ally, and for whom the war with China over technology is almost certain to continue regardless of administration. Indeed, if its perceptions of the threat posed by China continue deepening, Washington will also find itself reallocating even more resources towards Asia, and away from the Middle East.

Directly persuading China to sever or significantly downgrade its ties with Iran is unrealistic, and probably even counterproductive. Such a strategy would be seen as heckling a major power, one that prides itself on maintaining good ties with all regional actors, into taking sides. Moreover, China's motives for deepening cooperation with Iran have little to do with Israel.

Rather than dissuade China from advancing ties with Iran, Jerusalem should instead constantly persuade Beijing, as a non-partisan actor seeking predictability especially in regional trade and business, to pressure Iran into *moderating* its destabilizing conduct. Alongside more robust and farsighted US policy in the Middle East, this would benefit the entire region's stability, and with it Chinese commerce and economic interests, more broadly. In this same connection, Israel should likewise prod China towards a stricter stance on nuclear assistance and proliferation, not just with Iran but also others like Saudi Arabia, another signatory to the Non-Proliferation Treaty.

On the other hand, China's relationship with, and strategic, economic, and diplomatic leverage over Iran, and the greater importance to Beijing of some of its regional partners also present opportunities, especially with the Abraham Accords now in place. The emerging strategic regional realignment that the accords formalized brings Israel even closer to the UAE and Bahrain, and more recently Morocco, but at the political elite level also to Saudi Arabia and its allies Egypt, North Sudan, Oman, and still others.

Until now, other than official if largely symbolic interactions with multilateral forums such as the GCC, the Arab League, and the Arab Maghreb Union, China has for the most part approached substantive relations with the region bilaterally, a characteristic familiar from its engagement with other parts of the world. A critical mass of shared diplomatic, economic, and military interests in the Middle East opposed to Iran can modulate the preferences and priorities of regional actors as we have seen, but also of extra-regional actors. If Israel and its burgeoning Sunni allies in the Gulf and elsewhere coordinate with each other in their interactions with China, they face better odds of getting Beijing to factor into account their preferences regarding Iran. Again, at the very least, this could nudge China towards more actively pressing Iran to moderate its conduct.

And if concerted and sustained, this strategic realignment could also in the longer run shape not only how Beijing conducts its commerce, but also how it thinks about its strategic, diplomatic and security priorities in the region. Indeed, if the US' security umbrella even under a Biden administration continues to shrink, China's reliance on multiple and more robust regional security partnerships would very likely deepen, giving these partners even greater say.

If China adopts a more proactive and principled diplomatic posture, which is somewhat likelier in the longer run the more its investments, projects, and trade rise in the region, and particularly if the US ever transitions towards an offshore balancing role, China's leverage over partners like Iran conceals the potential to even pave the way for conflict mitigation. Israel's potential as an overland and maritime bridge between regions – from the Red Sea through the Mediterranean, from the Persian Gulf and the Levant to the Mediterranean and Europe via Jordan and Haifa, or from Africa through to the Middle East – would raise its importance, in parallel to Iran's own land bridge, along China's Belt and Road Initiative. This in turn could

give Beijing a more compelling reason to intervene as buffer between both regional adversaries.

Conflict management under China's initiative could likewise extend into Eurasia. Israel has applied to the SCO for dialogue partner status, two grades lower than full member and one below observer state. Of course, a shared presence within an entity like the SCO says nothing about the probability of conflict resolution among its constituent states. But if it occurs, admission would at least put Israel along with Iran in the same diplomatic space – and one relatively more intimate than, for instance, the UN or even the Kazakhstan-based Conference on Interaction and Confidence-Building Measures in Asia (CICA), where both adversaries are also members. Relative proximity in such forums allows for the possibility of contacts mediated by third parties like China (or Russia). Though tightly constrained and improbable, it nonetheless also opens another channel for quiet direct contacts between both archenemies' more pragmatic representatives.

Still, for so long as Iran's leadership continues to threaten Israel with destruction and build up the means that would allow it to potentially pursue that end, Israel's decisionmakers would not be misguided in continually seeking to degrade and disrupt Iran's diplomatic, along with economic and military options, and certainly its nuclear program. China should pay heed if it is to become a more responsible global power. And that is because it is one of only very few actors, *if willing*, capable of changing the balance in the Middle East in favor of stability. For Israel's part, recognizing the strengths and limits of China-Iran relations will be crucial to moving forward.