

**Relations between China and the Gulf States: Opportunities and Risks  
for Israel**

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**Relations between China and the Arab Gulf states are evolving in new directions, some problematic for Israel and the United States. Against this background, the Abraham Accords, which offer Israel new opportunities for partnerships, also expose it to risks. Alongside the expected rise in the importance of the Gulf states for China's energy security and in view of China's increased political involvement in the Middle East, Israel must examine its ties with the Gulf states from a multiple viewpoints and take steps to minimize the new risks. It must learn more about China's relations with the Gulf states, and specifically about security cooperation between the parties. It should set up a database of Chinese investments in the region and examine its own technological collaboration with the Gulf states and expected investments in Israel by Gulf corporations, while considering the issue of Chinese involvement. Israel must also reinforce and expand its mechanisms for supervising investments, in order to ensure coordinated regulation with the United States against the common risks faced by both countries.**

**Balancing the Two Sides of the Gulf**

In terms of foreign relations, China labors to maintain parallel relationships and do everything it can to avoid having to choose a side. China is still a bench player in Middle East politics and security, certainly when compared to United States involvement in the region, and in most cases it wishes to avoid direct involvement in conflict areas or unnecessary long-term commitments. Chinese involvement in the Middle East is generally explained as driven mainly by economic motives and tightly linked to energy security needs, as Beijing imports 70 percent of its oil consumption, chiefly from the Gulf. China's need for oil is even expected to increase in the coming decades, and hence the centrality of the Gulf states to Chinese interests in the Middle East. In addition, China sees the Gulf as a potential market for investment, both for heavy industry infrastructure such as ports and railways, and as a destination for Chinese technology. The Gulf states too see a benefit in linking the Chinese Belt and Road Initiative (BRI) with their own structural reforms, such as the Saudi Vision 2030.

Maintaining a delicate balance between rival parties likewise characterizes China's relations with Iran on one hand, and with the Arab Gulf states on the other. Even the signing of the 25 year "strategic agreement" between China and Iran in March 2021 is not evidence of any change in this balancing policy, which until now has been quite successful – as evidenced by China's consistent avoidance of any explicit declaration regarding its regional policy, adoption of clear positions on controversial issues, and choice of sides in any conflicts.

In order to maintain a cautious balance between Iran and the Arab Gulf states, China deliberately splits its contacts and visits equally between the Persian and Arab sides of the Gulf. Thus, when China's Foreign Minister Wang Yi visited Tehran and signed the agreement with Iran, he was also careful to visit and meet the leaders of Saudi Arabia, the United Arab Emirates, and Bahrain. The Chinese Minister began this part of the visit in Riyadh, where he presented a [five point initiative](#), including reference to the Israeli-Palestinian conflict, the Iranian nuclear issue, closer cooperation in the fight against COVID-19, and an old-new proposal to set up a mechanism for regional cooperation under Chinese auspices.

### **Between Washington and Beijing**

China's economic motive has apparently been joined recently by a political motive. It is often said that China benefits from the United States presence in the Middle East, which maintains regional stability and secures maritime routes. But there are signs that China also sees the region as a place for diplomatic activity that positions it as a responsible, and no less important, moral power, against the US, which Beijing taunts as a belligerent power that is the source of regional problems. In Operation Guardian of the Walls, China used its status as the current president of the UN Security Council in order to present the United States as having "taken sides" in the conflict, and to undermine Washington's position as an objective and reliable broker. At the same time, China exploited the conflict to present itself as the guardian of minority rights, and above all as a power that is attentive to the rights of Muslims.

The purpose of this message is to deflect the criticisms of China over its treatment of its Muslim population, and particularly its actions in Xinjiang, where Beijing is accused of setting up re-education camps for Muslim Uyghurs. This message is also intended for the ears of Muslim countries in the Middle East, which are often considered to have chosen the economic benefits offered by China, in return for refraining from any criticism on this matter. Saudi Crown Prince Mohammed bin Salman even justified Beijing's actions against the Uyghurs and declared that China has ["the right to take action against terror and extremism."](#) Gulf states were among the signatories of a letter to the UN Human Rights Commissioner that praised China for ["its remarkable achievements"](#) on human

rights. It is also reported that Saudi Arabia, Egypt and the UAE have extradited exiled Uyghurs from their territory to Beijing. Casting China as an ethical power that supports the rights of Muslims is convenient for its Muslim partners: after all, both sides are opposed to external involvement in their affairs and take action against internal opposition to their authoritarian regimes – particularly in view of the priority that the Biden administration assigns to human rights. It is possible that China will continue to exploit local crises in a similar way, and even extend its activity in this direction.

As China's interest in the Gulf increases, it appears that Washington has not hesitated to exert pressure on the regional states, since [it perceives](#) certain aspects of their cooperation with China as damaging to American national security. The Gulf states are [aware](#) of [increasing](#) American concerns about China and do not want to get caught in a conflict between powers. However, Washington's decision not to supply them with some of its technological-military products could drive them to purchase such components from China. For its part, China [has signaled](#) that it wants closer strategic cooperation with the Gulf states, particularly Saudi Arabia – with which it cooperates on nuclear matters, where a great deal is apparently still concealed – and the United Arab Emirates.

China has doubled its arms sales to the Middle East in general, and the Gulf states in particular, in the period 2016-2020 compared to the years 2011-2015. However, this figure is still low, representing [only 7 percent](#) of all Chinese arms sales. At the same time, in May 2021 the *Wall Street Journal* [reported](#) that US intelligence agencies were concerned by the development of security ties between China and the UAE, and particularly by China's possible access to advanced American technology, in connection with the sale of F-35 aircraft to the UAE. The report claims that the US identified Chinese military cargo aircraft landing in the UAE and unloading "undetermined materiel." It was also reported that China hopes to build a naval base in the UAE, and that the US has made progress on the F-35 deal conditional on cancellation of the port project.

For their part, the Gulf states recognize that at present, in spite of [doubts](#) about American commitment to their security, there is no substitute for US military presence in the Gulf to block Iranian aggression. However, they wish to diversify their sources of support in order to avoid a situation of absolute dependence on the United States, and supplement their strategic ties with the US by developing relations with competing powers. As the US reinforces the impression that it intends to reduce its involvement in the region, it must take into account that its rivals, including China, will exploit this in order to intensify their own involvement at its expense. On the other hand, the extent of cooperation with China is a function of American pressure. The stronger such pressure, the harder it will be for Gulf states to develop ties with China.

In conclusion, the Gulf states have thus far managed to pursue a foreign policy of delicate balance, hedging, and risk management, similar to Beijing's policy of "both this and that," namely, a policy of developing their "economic plus" relations with China while maintaining strategic relations with the United States. However, it is not impossible that China will use future opportunities to promote its position at the expense of Washington, making it hard for them to continue their balanced policy. Moreover, economic relations between China and the Gulf states go far beyond Beijing's energy needs and the construction of heavy infrastructure. China is also interested in expanding its involvement in areas of technology, and above all 5G and AI, a prospect that is of great concern to the United States.

Israel must examine its collaboration with the Gulf states involving research and development of advanced technologies, noting the restrictions that the US has placed on transfer of such technologies to China. Israel has additional concerns. On the one hand, Israeli technologies exported to the Gulf could be at risk of leaking to China, and from there to its enemies, above all Iran. On the other hand, investments by companies from the Gulf in Israeli infrastructure, such as Haifa Port, could embody the risk of greater exposure to Chinese companies that have close ties with Gulf companies, invest in them, and possibly acquire them at some point.

Therefore, alongside the window of opportunity opened with the Abraham Accords, Israel must also take steps to minimize these potential risks. It must intensify its knowledge about relations between China and the Gulf states, and specifically about security and other collaboration between them. It should set up a database of all Chinese investments in the region and examine its own technological collaborations with the Gulf states, and their expected investments in Israel, in light of Chinese involvement. And finally, Israel must reinforce and expand its mechanisms for supervising investments, in order to ensure coordinated regulation with the United States against the common risks faced by both countries.