

CHINA AND NORMALIZATION

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In recent years, China has expanded its involvement in the Middle East. While it may appear that Beijing provides unconditional support for Iran, the Gulf states are far more important to China, and its relations with them overshadow its ties with Tehran. China has deepened its connections with the Gulf states in traditional economic areas—such as oil and infrastructure—as well as in advanced technological sectors, including artificial intelligence and space. For context, total Chinese company investments in Iran between 2018 and 2022 amounted to less than \$1 billion per year, while in 2022 alone, Chinese investments in Saudi Arabia totaled \$3 billion, and \$12 billion in the United Arab Emirates. Chinese exports to these countries also reflect the importance Beijing places on its relations with them. In 2023, exports from China to Iran stood at approximately \$10 billion—significantly lower than the 2014 peak of \$25 billion, and especially modest in comparison to exports of \$43 billion to Saudi Arabia and \$55 billion to the UAE. In addition to its strengthening economic ties with Middle Eastern states—particularly those in the Gulf—China has recently begun experimenting with positioning itself as a “mediator” in regional conflicts. A key example of this was its involvement in the final stage of restoring diplomatic ties between Iran and Saudi Arabia in March 2023. Within this framework, China has hosted a number of dialogue forums between rival parties—for example, a failed 2017 attempt to broker a ceasefire with the Houthis in Yemen, and [reconciliation talks](#) between Palestinian factions in July 2024. Since 2021, China has also initiated several rounds of “[peace talks](#)” between unofficial Israeli and Palestinian representatives.

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It is important to emphasize that despite China's growing bilateral ties in the region, its Middle East policy is largely shaped through the lens of Beijing–Washington relations. China seeks to position itself as an alternative to what it views as American hegemony—one that foments conflict and undermines peace and stability in the Middle East. China's strategy includes outreach to the Global South, where it sees itself as a leading voice, and it brands itself as a proponent of reconciliation, peace, and dialogue. This model, which purports to avoid interfering in domestic affairs or criticizing states on issues such as human rights, is positively received by Gulf leaders. Through this approach, China aims to bolster its influence at the United States' expense—although it does not seek to replace the U.S. as the region's "policeman."

The 2020 Abraham Accords took Beijing by surprise, and its response at the time was vague and noncommittal. On the one hand, the accords represented an American diplomatic victory, reinforcing U.S. influence in the region and complicating China's activity there. On the other hand, the agreements promoted regional stability—vital to the economic activity from which China benefits. As a result, Beijing refrained from issuing explicit endorsements of the accords. Instead, Chinese officials offered general support for any initiative aimed at easing regional tensions. This raises the question of how China would respond to an Israeli–Saudi normalization process.

As of this writing, China has not issued any official statement on the matter. However, Chinese analysts widely believe that China would support such a process—even if not publicly. It is estimated that Beijing may choose to abstain in any related UN vote, thereby tacitly approving the normalization. It is also important to recall China's Global Security Initiative (GSI)—which, like many Chinese strategic initiatives, is vaguely worded to allow for flexible interpretation over time. Chinese mediation efforts, such as the agreement between Iran and Saudi Arabia, have since been incorporated into this initiative. In some respects, GSI may be viewed by Beijing as an alternative or competitor to U.S.-led peace efforts in the Middle East.

An Israeli–Saudi normalization agreement would ostensibly align with China’s declared principles: promoting peace through dialogue and serving its interest in regional stability. Theoretically, such an agreement would allow China to deepen ties with both Riyadh and Jerusalem and enhance regional stability—benefiting its Middle Eastern economic interests. However, Beijing is acutely aware that growing U.S. influence over both countries would limit its ability to shape their policies, at least in certain areas. Recently, the U.S. has managed to curb some Chinese economic cooperation in the Middle East. For instance, in the past year, Emirati firm G42 was forced to sever ties with Chinese companies in order to cooperate with Microsoft. Similarly, Riyadh expressed willingness to scale back ties with China as part of a defense deal with the United States—linked in Washington’s eyes to normalization with Israel. Furthermore, Israel–China relations are at a low point, particularly due to Beijing’s rhetorical support for Hamas, Iran, and the Houthis during the Gaza war. Thus, in practice, an Israeli–Saudi normalization agreement would likely further distance both countries from China and draw them closer to the United States. To compensate, China may need to strengthen ties with other Gulf states—or even with Iran, though Beijing is likely reluctant to do so.

Therefore, while the economic benefits of normalization may serve China’s interests, a U.S.-led agreement would be seen by Chinese leadership and the public as a victory for their main geopolitical rival. In such a case, Beijing would likely advance a counter-narrative framing itself as a relevant and responsible actor—as it did following the Iran–Saudi deal it hosted. This narrative could focus on the argument that the normalization includes some form of resolution to the Palestinian issue—a topic on which China has been outspoken in light of the Gaza war. Beijing could then portray its position as one that supports the resolution of the region’s core conflict and advocates for justice and peace. While Israel has no interest in involving China in future negotiations with the Palestinians, it may be possible to enlist Chinese support for normalization through two avenues. First, if Beijing is promised post-

normalization economic benefits—especially through collaborations with Saudi Arabia and potentially Israel—this could help offset the distancing effect and maintain Chinese engagement. Second, in coordination with the United States, China could be encouraged to participate in infrastructure development for the Palestinian economy in the “day after” scenario in Gaza. This involvement could be linked to other Chinese global initiatives, such as the Belt and Road Initiative or the Global Development Initiative.

In contrast, a U.S.–Saudi agreement that excludes Israeli normalization would likely face Chinese opposition. First, excluding the Palestinian issue from such a deal would be viewed as inconsistent with China’s declared commitment to addressing what it considers the core problem in the region. Second, such a deal would represent a deepening of U.S.–Saudi ties at the expense of Saudi–Chinese relations—particularly in the sensitive field of nuclear energy. China routinely criticizes the formation of security blocs as “Cold War thinking,” and it is likely to characterize a bilateral American–Saudi deal in similar terms. While China is unlikely to actively disrupt such rapprochement, it may quietly support Iranian efforts to do so. Beijing is also expected to issue strong statements at the UN and beyond, opposing a framework that neglects what it sees as the region’s central unresolved issue: the Palestinian question.