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**China's Deputy Prime Minister Visits Egypt, Israel,
and the Palestinian Authority**
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In her recent trip to the Middle East, Chinese Deputy Prime Minister Liu Yandong visited Israel, Egypt, and the Palestinian Authority. Liu, one of only two women sitting on the Politburo, is considered the strongest woman in the Chinese Communist Party.

During Liu's visit to Egypt, the first stop, she met with President el-Sisi and Prime Minister Sherif Ismail. She declared that the Chinese government would promote cooperation with Egypt in various fields, including education, science, culture, healthcare, and preservation of heritage sites. She stressed that China would promote joint national infrastructure and energy projects as part of the One Belt One Road (OBOR) initiative, China's flagship political and economic project.

Liu's next stop was Israel, where she attended the opening of the second meeting of the China-Israel Joint Committee on Innovation. She met with President Reuven Rivlin, Prime Minister Benjamin Netanyahu, former President Shimon Peres, Education Minister Naftali Bennett, and Health Minister Yaakov Litzman. Liu and Netanyahu announced the start of talks over a free trade agreement between Israel and China; Liu stressed that Israel is internationally known for its innovative capabilities, and it is therefore important to promote cooperation between Israel and China, which *recently began* highlighting innovation-based development. A free trade agreement, once signed and put into effect, could double trade between the countries, which in 2015 amounted to \$8 billion. According to an agreement of this sort, barriers to trade in the import-export and regulatory fields would be lifted and technological cooperation between the nations would be enhanced. The agreements would also include the removal of non-tariff barriers, government procurement, intellectual property protection, and dispute settlement mechanisms. Liu declared that China will promote programs to protect copyrights and encourage local Chinese government and corporations to strengthen trade relations with their Israeli counterparts. In addition, she suggested establishing more joint innovation-

based parks (in addition to the initiative promoted in 2013 to establish the innovation-based park in Nanxun, and the initiative in 2015 on the park in Changzhou).

The following were concluded:

1. An agreement that will allow Israeli passport holders to obtain a ten-year visa for multiple visits to China (today, a tourist visa is valid for three months from its date of issue).
2. An agreement between the Weizmann Institute of Science and the Chinese Academy of Medical Science that will promote joint stem cell and other research.
3. An agreement between the Technion and the Hebrew University and the Chinese Scholarship Council that will allow Chinese doctoral and post-doctoral candidates to conduct their research at these Israeli institutions.
4. An agreement to bring young Chinese leadership and diplomatic delegations to Israel.
5. An agreement to promote technological cooperation to focus on water and energy R&D.
6. An agreement to establish a Chinese cultural center in Israel.
7. An agreement to establish an ecological park in the city of Dongying, where Israeli agricultural technologies will be developed.
8. An agreement on continued cooperation between the Israeli Health Ministry and its Chinese counterpart that will include the exchange of experts and joints seminars on a host of topics.
9. An agreement to send Israeli agricultural, healthcare, and entrepreneurship experts to China and to hold training programs both in Israel and China.
10. An agreement between the Natalie Corporation and the Changzhou municipality to establish a joint healthcare service project and projects in other fields using telecommunications.
11. An exchange-student agreement between the Higher Education Council in Israel and the Chinese Education Ministry.
12. An agreement to promote cooperation in entrepreneurship and innovation between Israeli and Chinese universities.
13. An agreement between the Israeli Agriculture Ministry and the Chinese Science and Technology Ministry to establish a joint agricultural research project.

The lengthy list of agreements notwithstanding, the official announcements to the Israeli and Chinese media did not mention the OBOR initiative, despite the great importance the Chinese government attributes to it and despite its mention in the report on the visit to Egypt. It would seem that Israel's geographical location as well as its technological capabilities and potential for infrastructure position it as an attractive player to promote OBOR, as evidenced by China's singling out of Israel in its 13th five-year plan as a

preferred target for developing economic ties alongside the EU and Canada. Moreover, in 2015, Israel became a founding partner in the Asian Infrastructure Investment Bank (AIIB), one of whose goals is to promote OBOR in Asia and which is considered potential competition to Western international financial institutions such as the World Bank. Perhaps Israel and China are interested in presenting their cooperation as a separate track in Chinese development initiatives in the Middle East so as not to damage Israel's economic and strategic relations with the United States.

Liu's last stop was the PA, where she met PA President Abu Mazen and Prime Minister Rami Hamdallah. Liu declared that China would implement the various initiatives mentioned by the Chinese President in his speech to the Arab League, where he said that the Palestinian issue must not be sidelined and that China would continue to expand cooperation with the PA and heighten mutual trust. Liu stressed that it is imperative to find a resolution to the Palestinian problem and that China supports the establishment of an independent Palestinian state on the basis of the 1967 borders with East Jerusalem as its capital. She also stated that China supports a peace agreement between Israel and the Palestinians, and called on the sides to return to the negotiating table since, she noted, it is possible to end the conflict only on the basis of negotiations. Liu expressed China's gratitude for the Palestinians' support for the OBOR initiative and expressed China's wish to share its experience in establishing independent free trade zones (special economic zones, or SEZs) and promote exchanges in education, culture, science, and technology. Liu also declared that she will encourage Chinese companies to invest in the PA. During her visit to the PA, three agreements were signed, including one on Chinese help in the establishment of a solar power plant in the PA.

Liu's visit to the Middle East followed President Xi's visit to the region early in 2016 and two major documents that China issued recently. The first describes China's official Middle East policy; the document points to the region's importance in China's global view. The second is the 13th five-year plan that specifies improving China's economy as a key goal, an issue of particular importance given reports casting doubt on the robustness of the Chinese economy. According to China, Liu's visit was intended to allow China to benefit from Israel's capabilities, especially in the fields of innovation and technology.

The two visits should be viewed as part of China's effort to increase its presence in the Middle East in light of the changes underway in the region and the possibility that the United States will reduce its involvement in the arena. In addition, the visit to Egypt signals China's desire to differentiate itself from Western nations whose relations with the Sisi regime are tense given their criticism of Egypt's human rights record. Egypt and the Suez Canal are also a critical link in the Marine Silk Road initiative and in transporting most of China's exports to Europe.

There is no doubt that China sees Israel more through the prism of Israel's innovation capabilities than through the lens of China's Silk Road initiative or the establishment of the AIIB; hence the downplayed treatment of China's relationship with Israel in the report about the visit to Israel, even to the point of ignoring the political issue during the visit to Jerusalem, a topic that took center stage during the visit to the PA. China's eagerness to take advantage of Israel's innovation capabilities and willingness to invest in the field is an economic asset for Israel. At the same time, however, this requires sober management of Israel's interests, given the sensitive strategic aspects. On the political level, it is important to make it clear to the Chinese that Israel is aware of the differences in the reports on the visits to Israel, Egypt, and the PA, and that Israel expects a balanced approach with reference to the Israeli-Palestinian conflict.

