

January 2020

Country report

Regional Program - Political Dialogue South Mediterranean



Fast and Furious: China's rise in the Middle East and North Africa

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Traditionally, China has pursued a relatively restrained foreign policy in the Middle East and North Africa. This has changed dramatically in recent years. Within a few years the country has positioned itself as a new global power in the region. On the one hand, this is due to China's interest in securing access to energy and resources, expanding trade routes and opening up markets for its own export products. But there's more to it than that. President Xi Jinping's declared goal is to make China the world's number one power by 2049 - the centenary of the People's Republic.

Energy, trade, investment

The Middle East and North Africa may not be a strategic priority for the People's Republic of China, but the region is gaining in importance as a piece of the puzzle on the way towards the "New Silk Road" project announced in 2013 under the name "Belt and Road Initiative" (BRI). In 2016, the Chinese government for the first time formulated a White Paper on Sino-Arab relations, which is the basis for expanding foreign policy and foreign economic relations with Arab countries.

Since then, 16 Arab states as well as Iran, Israel and Turkey have concluded agreements with China on cooperation within the BRI framework.

It is impressive how quickly and sustainably China has expanded its economic, political and - to a lesser extent - security policy influence in the Arab world. China is now the largest trading partner and investor in many countries in the region. The investment volume is estimated at USD 177 billion. In 2018 China's trade with the Arab countries reached USD 244.3 billion, and by 2023 the volume is expected to triple to USD 600 billion. China is already the largest trading partner for 11 countries in the region. On top of that, more than a million Chinese now live, work and study in Arab states. It is particularly noteworthy that China is gaining in popularity as a new destination for students from the Arab world. Among Anglophone African students, the People's Republic has already overtaken Great Britain and the USA to become the main destination.

What is the strategy of China's relations with the countries of the Middle East and North Africa? The 2016 White Paper describes it as a 1+2+3 cooperation pattern. According to this, the energy sector is the absolute priority, followed by infrastructure development, trade and investment. Finally, there is a wish list for future cooperation in the fields of high technology, nuclear power and renewable energies. Not surprisingly, the energy sector is the first pillar. Already today, over 50% of China's oil imports come from the region, particularly from Gulf Cooperation Council countries. As a result, China is increasingly involved in energy-related projects, ranging from joint ventures in refineries in Saudi Arabia to investments in gas-fired power plants in Egypt and the United Arab Emirates (UAE). With regard to North Africa, Algeria and Morocco along with Egypt are the most important partner countries, where China is pursuing cooperation objectives in the field of gas and renewables.

Apart from energy, infrastructure development is a central component of China's strategy for improving connectivity within the BRI. By developing infrastructure in the Middle East and North Africa, China wants to connect the Silk Road and other routes with the Mediterranean and ultimately with Europe. The main objective is to create new supply routes for energy and resources as an alternative to the Strait of Malacca in South East Asia which accounts for 80% of Chinese trade. Any blockade of the Strait of Malacca by the US would be tantamount to a stranglehold on the lifeline of China's economy and energy. Trade and investment are the two areas that make the BRI particularly attractive from the perspective of partner countries in the Middle East and North Africa. Indeed, Chinese trade and investment in the region are on a steep rise, gradually pushing out traditional partners.

Bilateral, asymmetrical, hierarchical

The large-scale Chinese BRI project is undoubtedly not a pure infrastructure project consisting of construction measures. The BRI is also a digital silk road of state-of-the-art broadband Internet connections. That is why high-tech companies like Huawei play a key role in the initiative. To date, 126 countries and 29 regional/international organizations have joined the BRI, while 170 countries already have contracts with Huawei at various levels. One might assume that every country that signs the BRI is on the customer list of Huawei's 5G broadband Internet technology. Already today China controls about half of the world's fibre optic cable production. Despite US pressure due to security risks, telecommunications companies in eight Middle Eastern countries (Bahrain, Egypt, Kuwait, Qatar, Saudi Arabia, UAE, Iraq and Turkey) are now working with Huawei to build 5G networks. With another six countries

Huawei is in the test phase. China's BeiDou satellite navigation system is used throughout the Middle East, offering applications in telecommunications, maritime security and precision agriculture. China is not just interested in its status as a world economic power, but also in its dominance as a "cyber superpower".

A striking feature of China's relations with its partner countries in the Middle East and North Africa, but also elsewhere, is that they are asymmetrical. This is quite understandable given the disparities in terms of economic power, population and territory. However, this asymmetry is further reinforced by the Chinese preference for bilateral agreements. Discussions at regional level do take place in the framework of Chinese-organised regional forums - including the China-Arab States Dialogue, the China-GCC Dialogue and the China-Arab League Dialogue. The negotiation of concrete projects is, however, scheduled at bilateral level. The partner countries sign bilateral agreements with China and meet with other partner countries only within the framework of annual show events in Beijing. This can be interpreted as a deliberate strategy to prevent the countries of the region from having a stronger negotiating position and to shape the cooperation agenda exclusively along Chinese interests. Unfortunately, there are no discussion formats in the region to coordinate a strategy towards the BRI. Such a strategic approach would be important but is prevented by the competition between the countries involved. This is characterized by the ambitions of individual states to establish themselves as a hub for the region within the BRI framework.

As a logical consequence of this bilateral, asymmetrical approach, China's relationship with its partner countries is also extremely hierarchical. China has developed different categories of partnerships, in which it cooperates with countries in the Middle East and North Africa. The first one is a Comprehensive Strategic Partnership with Algeria, Egypt, Iran, the UAE and Saudi Arabia. Only very few countries reach that level. The second category is a comprehensive innovation partnership developed specifically for Israel. China is thus taking account of the geopolitical realities in the region. The third category, the so-called strategic partnership, includes Qatar, Turkey and Morocco. China does not maintain a formal partnership with Tunisia and Libya but cooperates within the framework of Memoranda of Understanding (MoU). This hierarchy is not determined by the extent and intensity of cooperation. There are no criteria that must be met to move to the next level. It is exclusively the Chinese government that determines the form of partnership according to the "importance" of a country for Chinese interests.

Partnerships of China in the region

Comprehensive strategic partnerships	Algeria, Egypt, Iran, Saudi Arabia, United Arab Emirates
Comprehensive innovation partnerships	Israel
Strategic cooperation partnerships	Djibouti, Iraq, Jordan, Qatar, Kuwait, Lebanon, Morocco, Oman, Sudan, Syria, Turkey
Memoranda of Understanding (MoU)	Libya, Tunisia

Just business ...

Like a string of pearls, China is lining up country by country along the New Silk Road, gathering countries around itself, propagating a new model of cooperation and indirectly promoting its development model. The main components of this state-capitalist model are political authoritarianism, selective privatization and limited deregulation of industry. Cooperation with China is particularly attractive because of its unconditional approach. China does not impose moral imperatives, does not force democratisation, does not privatise industry and does not demand measures to combat corruption. China does not block aid promises for not complying with ecological standards. This approach can best be described as a concept based on economic development as opposed to the Western concept of democratic peace.

Chinese officials repeatedly emphasize that the BRI is not a "Marshall Plan", nor is it a donor-recipient relationship, but is intended to establish a "win-win" relationship on an equal footing. China is interested in building purely economic relations, China does not claim any status as a soft power, does not want to convey values or export models. The Chinese government assures that China will never interfere with the internal affairs of partner countries, establish spheres of influence or participate in political power games.

... but with geopolitical consistency

It is doubtful whether China will be able to maintain its current neutral position in the region in the coming years. The Middle East and North Africa play an important role as the linchpin of China's global strategy. If BRI investments in the region are attacked, Beijing cannot stand aside. China will have to defend its interests. Beijing's foreign policy credo of non-interference would then finally be a thing of the past.

China's increased commitment in the region may increase geopolitical tensions with other major powers. Especially with the USA and possibly also with Russia. The risk that the Middle East and North Africa could develop into a stage for confrontation between great powers cannot be completely ruled out. However, this is not so much a question of relations between China and the Arab countries, but rather a question of the development of relations between China and the US, between China and the EU and between China and Russia.

For many countries in the Middle East and North Africa, the Chinese development strategy is a highly welcome alternative to the value-based European model. Consequently, the BRI has met with an extremely positive response in the region, primarily as an opportunity to diversify economic relations. At the same time, the openness in the region conceals an obvious disappointment of traditional partners and the search for a new balance of power in the geopolitically extremely confusing landscape. The growing positive perception of China in the region is also reflected in the public opinion in the countries. The latest Pew Institute survey illustrates China's growing popularity in the Arab world. On a regional average, 60% of the respondents have a positive and 27% a negative perception of China. In other regions of the world (Europe, USA, East Asia) an opposite trend and thus a negative perception of China prevails (40% positive and 60% negative). China's attractiveness in the Middle East and North Africa may be due to the fact that the crisis-ridden region has for the first time been assigned a positive role in his global project. China does not see the region as a problem, but as part of something positive, something global.

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