



ECONOMIC AND STRATEGIC IMPLICATIONS OF CHINA'S GROWING PRESENCE IN THE MIDDLE EAST

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Abstract

This paper examines China's expanding role in the Middle East over the past two decades, focusing on its economic, diplomatic, and strategic engagements. It analyzes how China's energy dependence, Belt and Road Initiative (BRI) investments, and deepening trade partnerships are reshaping regional alignments and challenging traditional power structures. The study primarily investigates the implications of China's growing economic and strategic involvement on regional stability and global geopolitics. Employing a qualitative, document-based approach, the research reviews policy documents, scholarly literature, and official reports to provide a comprehensive structural analysis. Findings reveal that China's strategic presence is expanding cautiously yet assertively, leveraging economic influence without direct military involvement, in line with its non-interference policy and pursuit of a multilateral global order. However, regional uncertainties, local financial constraints, and limited security engagement pose challenges that may restrict China's full exercise of power in the region. This study offers a nuanced understanding of China's evolving role in the Middle East and provides insights for scholars and policymakers assessing its regional and global implications.

INTRODUCTION

During the past twenty years, the role of China in the Middle East changed significantly, transforming the country into an active geopolitical and economic subject in the region (no longer only a passive trade partner). In the past, China has also observed the policy of non-interference in the region, thus primarily concentrated on the sources of stable supplies of economic energy without indulging in local disputes. Nonetheless, with the initiation of the Belt and Road Initiative (BRI), which started in 2013, China has witnessed an elevated growth in its presence in the region as a result of increased infrastructure investment, diplomacy, and strategic partnerships with the states in the Gulf, North Africa, and the Levant (Fulton, 2019).

The Middle East is still considered one of the most geopolitically unstable regions in the world because it plays a central role in the global energy markets, has religious and ideological differences, and possesses strategic maritime chokepoints. Middle Eastern countries became the leading providers of Chinese crude oil by the year 2023, with an over 40 percent share, so regional stability remains among the highest priorities of Beijing (IEA, 2023). The geographical location of the Strait of Hormuz, which Chinese energy security largely depends on through which more than 20 percent of the world's oil is transited, is especially crucial to the energy security of China (U.S. EIA, 2023). Such dynamics and the relative diminishment of American activities in the region



have given China opportunities to expand its presence.

The key question covered in this paper is as follows: What are the effects of increasing Chinese economic and strategic interests in the Middle East on regional power structure, and what does it entail for the world at large in terms of geopolitical stability?

The hypothesis expounded at this juncture is that the Chinese style, revolving around economic interdependency, non-interference, and strategic application of selective engagement, has enabled it to gain bilateral relationships and projection of its influence without incurring the price tag that accompanies military interventionism.

The objectives of this paper are to:

- To trace the historical evolution of China-Middle East relations;
- To examine China's economic influence via trade, investment, and energy ties;
- To analyze strategic dimensions, including military and diplomatic engagements;
- To identify constraints to China's long-term role in the region.

The methodology of this work is the qualitative method, which develops not only academic literature but also official statistics and policy analyses. Realism has been used in the paper as a means to comprehend the balance of strategy, liberal institutionalism as an explanation for economic cooperation and interdependence, and the theory to describe the diplomatic position of China and management of its image.

The combination of these lenses forms an overall theology through which the complex nature of the Chinese influence and the regional and global impacts of the expanding Chinese role in the Middle East can be assessed.

1.2 Justification of the Study

The rationale of the study is based on the necessity of realizing the transformational effects of the increasing presence of China in one of the most geopolitically problematic regions of the world. With the rise of the economic and strategic interests and ambitions of China in economic and strategic areas not immediately adjacent to itself, the Middle East has become an essential arena in the global

ambitions of Beijing. Considering the importance of the region to the global energy market and geopolitical alliances, studying the role of China enables policy-makers, researchers, as well as other stakeholders in the region, to understand the possible changes in the power balance and interdependence of economies to define the 21st century.

1.3 Significance of the Study

This study holds significance for multiple reasons. To start with, it makes an intellectual input into the scholarly discussion of the foreign policy metamorphosis of China through its narrow study of its involvement in the Middle East. Second, it provides knowledge of how Chinese economic projects and their selective strategic location threaten the conventional superiority of the West in the region. Thirdly, the results can be used by the regional policy makers who have to operate in a sophisticated environment where alliances are changing and economic opportunities abound. Finally, the study increases insights concerning the wider consequences of the emergence of China to the changing global politics, especially the aspect of overcoming multipolarity and economic interdependence.

1.4 Scope of the Study

The time frame is presented in terms of the early 2000s and 2025, and the analysis deals with China and its interaction with the countries of the Middle East in economic, diplomatic, and minor military aspects. It spans most strategically important states such as Saudi Arabia, Iran, the United Arab Emirates, Egypt, and Israel, as well as extended states in the Gulf and North Africa region, taking part in the Belt and Road initiative by China. In terms of theme, the research is based on looking at themes of energy security, trade and investment, infrastructure projects, diplomatic efforts, as well as the scope of security cooperation, but looking at such themes within the scope of the wider global strategy of China.



2. Historical Context of China-Middle East Relations

The trajectory of Sino-Middle Eastern relations has evolved significantly since the mid-20th century, shaped by shifting ideological, economic, and strategic imperatives. During the Maoist era (1950s–1970s), China's foreign policy was predominantly ideological, aligning itself with anti-imperialist movements across the Global South. China supported nationalist and leftist movements in Egypt, Algeria, and Palestine, establishing early connections with leaders such as Gamal Abdel Nasser and granting recognition to the Palestine Liberation Organization (PLO) in 1965 (Alterman, 2009).

Yet China's influence in the Middle East remained marginal during the Cold War. The Soviet Union and the United States dominated the regional power balance, and China-distrustful of Soviet intentions after the Sino-Soviet split-found its ideological support for revolutionary causes increasingly sidelined (Scobell & Nader, 2016). Throughout this period, Beijing maintained a cautious distance, avoiding major entanglements in Middle Eastern conflicts and focusing instead on internal consolidation.

This changed after the economic reforms initiated by Deng Xiaoping in 1978. Ideological outreach was replaced by pragmatic diplomacy aimed at energy security and trade diversification. During the 1980s and 1990s, China established or normalized diplomatic relations with nearly all Arab countries, as well as Iran and Israel (Chaziza, 2020). Beijing's outreach was driven by its growing dependence on Middle Eastern oil. By 1993, China became a net oil importer, and countries like Saudi Arabia and Iran became key energy suppliers (Downs, 2010).

In the early 2000s, China's strategy deepened through arms sales, construction projects, and infrastructure development across the region. Notably, it provided weapons to Iran, Iraq, and Saudi Arabia and contributed to large-scale projects in Algeria and Egypt (Alterman, 2009). The establishment of the China-Arab States Cooperation Forum (CASCF) in 2004 formalized these ties, offering a multilateral platform to coordinate economic and cultural cooperation (Fulton, 2020).

The 2011 Arab Spring and subsequent regional instability, such as the Libyan civil war, tested China's traditional non-interventionism. China evacuated over 35,000 nationals from Libya in what was its largest-ever overseas evacuation, signalling a shift toward protecting its citizens and commercial interests abroad (Zhao, 2013). This pragmatic engagement expanded further with China's anti-piracy missions off the Gulf of Aden starting in 2008, and culminated in the establishment of its first overseas military base in Djibouti in 2017 (Scobell & Nader, 2016).

The launch of the Belt and Road Initiative (BRI) in 2013 marked the most significant expansion of China's Middle East strategy. The region—particularly the Gulf, Iran, and North Africa—was designated a key link between Asia, Africa, and Europe. China invested in ports (e.g., Egypt's Port Said), railways (e.g., Iran's Tehran-Mashhad line), and energy projects (e.g., Iraq's oil refineries), integrating the region into its global infrastructure vision (Chaziza, 2020).

More recently, Beijing has taken on a diplomatic role, brokering the 2023 normalization agreement between Saudi Arabia and Iran and issuing position papers on the Palestinian issue. This evolution reflects an "adaptive non-interventionism," where China seeks to protect its interests and image without direct entanglement in conflicts (Fulton, 2023).

From ideological ally to strategic investor and diplomatic broker, China's approach to the Middle East has been one of steady evolution. Understanding this trajectory is critical for analyzing Beijing's current and future impact on regional order.

3. China's Economic Engagement in the Middle East

China's deepening economic engagement in the Middle East over the past two decades has reshaped regional dynamics by focusing on three main pillars: energy dependency, Belt and Road Initiative (BRI) infrastructure investment, and regional trade and investment patterns. Each reflects China's pursuit of market diversification, political influence, and long-term strategic stability.



3.1 Energy Dependency and Interdependence

China's voracious appetite for energy has been the primary engine of its economic relationship with the Middle East. As of 2023, more than 40% of China's crude oil imports originate from Middle Eastern countries, predominantly Saudi Arabia, Iraq, and the United Arab Emirates (IEA, 2023). This places Beijing in a position of mutual interdependence: Middle Eastern exporters rely heavily on Chinese demand, while China depends on these exporters to meet its energy needs.

According to the International Energy Agency, China surpassed the United States as the world's largest importer of crude oil in 2017, with the Middle East as a key supplier (IEA, 2023). The U.S. Energy Information Administration further reports that Saudi Arabia remains China's top supplier, accounting for nearly 17% of its crude imports, followed by Iraq (12%) and the UAE (10%) (EIA, 2023). This energy reliance has not only prompted Beijing to secure long-term contracts but also to invest directly in refining capacity abroad, placing China as a stakeholder in preserving order in the Gulf region.

3.2 Belt and Road Initiative Infrastructure Projects

Since President Xi Jinping unveiled the BRI in 2013, the Middle East has been treated as a strategic partner in China's quest to integrate Asia, Europe, and Africa into a vast infrastructure and trade network. Several high-profile projects exemplify this effort:

1. **Egypt – Suez Zone:** China's involvement in the development of the Suez Economic and Trade Cooperation Zone includes investment in shipyards, logistics centres, and industrial parks. State-owned enterprises like **COSCO Shipping** have modernized container terminals in Port Said, while other Chinese firms have invested in petrochemical plants in the Greater Cairo region (Fulton, 2020).

2. **Iran – Rail and Energy:** In Iran, Chinese firms (e.g., CRRC, Sinohydro) have been involved in constructing the Tehran-Mashhad high-speed railway and upgrading sections of the North-South corridor. Concurrently, Chinese energy giants like CNPC and Sinopec participate in joint ventures for oil field development in South Pars and refining in Isfahan (Chaziza, 2020).

3. **United Arab Emirates – Al Faya Refinery & AI Port Projects:** Joint efforts between UAE sovereign entities and Chinese investors have resulted in ventures such as the Al Faya refinery project near Abu Dhabi and a planned industrial park near Noof Port involving Huawei and other Chinese tech firms, drawing parallels with Malaysia's Pagoh Industrial Park model (Fulton, 2020).

4. **Israel – Technology and Transit Linkages:** China has become a significant player in Israel's high-tech and transportation sectors, investing in Haifa Port and possibly participating in a future Israel-Gaza-Jordan railway—an extension of the broader Middle Corridor envisioned under the BRI (Chaziza, 2020).

These projects reflect China's strategy to combine economic gains with geopolitical leverage. Unlike Western investors, China conditions financing on commercial returns and host-government negotiations, rather than political liberalization, a stance welcomed by many regional governments.

3.3 Trade and Investment Trends

China's goods trade with the Middle East skyrocketed from approximately US\$90 billion in 2009 to over US\$300 billion by 2022, encompassing everything from crude oil to electronics (Fulton, 2020). Notably:

- China-GCC trade accounted for nearly US\$200 billion, reflecting synergies between Chinese industrial needs and Gulf exports (UAE Ministry of Economy, 2023).
- The China-Iran bilateral trade surged after the 2015 JCPOA nuclear deal, with exports growing from US\$10 billion to US\$25 billion by 2018, before fluctuating amid renewed U.S. sanctions (Chaziza, 2020).

Chinese state-owned enterprises (SOEs) now dominate regional infrastructure, utilities, and telecom sectors. Huawei has won major 5G contracts in Bahrain, the UAE, and Saudi Arabia, while PowerChina and Sinohydro have built desalination and power plants in Oman and Kuwait (Fulton, 2020; Chaziza, 2020). These investments support host-state development goals and entrench China's economic footprint, reducing barriers to its long-term influence.



Finance has also become an instrument of Chinese power projection. The 2018 China–UAE \$3 billion currency swap agreement and the 2021 offshore renminbi clearing facility in Abu Dhabi exemplify China's expanding financial integration with Gulf financial centers (IMF, 2021).

3.4 Implications for Regional Economics and Geopolitics

China's economic engagement has several strategic implications:

- **Diversified leverage:** By becoming deeply embedded in regional economies, China earns political goodwill and influence without direct political intervention.
- **Infrastructure-backed dependencies:** As regional economies integrate further into Chinese-led networks, decisions in capitals like Riyadh or Abu Dhabi risk growing sanction dependency.
- **Diplomatic capital:** Economic momentum underpins Beijing's diplomatic roles, enabling China to offer itself as a "win-win" alternative to U.S. conditionality in arenas like maritime security or geopolitical mediation.

However, these trends are not without risks. BRI debt-fueled projects have spurred concern about regional financial exposure. Middle Eastern governments are increasingly wary of "debt traps," given the scale of capital China offers (Fulton, 2020). Political dynamics remain unpredictable, fluctuating oil prices, U.S. policy shifts, and geostrategic crises could expose China's economic stakeholders to instability, potentially reversing gains in infrastructure and market integration.

4. Strategic and Military Dimensions

In recent years, China's economic involvement in the Middle East has been matched by a gradual but deliberate expansion of its strategic and military posture. This shift represents a significant evolution of Beijing's foreign policy, one that fuses its traditional principle of non-interference with pragmatic measures aimed at safeguarding its growing interests and projecting influence.

China's foray into military engagement in the Middle East began primarily with anti-piracy operations off the coast of Somalia and in the Gulf of Aden. Since 2008, the People's Liberation Army

Navy (PLAN) has regularly escorted commercial vessels, including many carrying Chinese oil and goods, marking China's first sustained naval deployment away from its home waters (Scobell & Nader, 2016). These missions not only protected crucial energy supply chains but also served as a platform for the PLAN to test naval power projection capabilities, gain operational experience in joint logistics, and conduct goodwill visits to regional ports. Biannual exercises with host states such as Pakistan and Oman followed, deepening military-to-military ties under the guise of humanitarian and security cooperation (Scobell & Nader, 2016).

A milestone in China's strategic footprint occurred in 2017 when it inaugurated its first overseas military base in Djibouti. Positioned near the Bab-el-Mandeb Strait, a global maritime chokepoint through which nearly 12% of world trade and 30% of container shipping flows, the base enables China to support anti-piracy missions, conduct joint exercises, and provide logistical assistance for humanitarian efforts (Scobell & Nader, 2016). While framed as a logistics and support hub, Djibouti enhances China's strategic depth in the region and signals to both Middle Eastern governments and global powers that it is prepared to look beyond economic ties (Scobell & Nader, 2016).

Beyond naval presence, arms sales and security cooperation represent another pillar of China's strategy. In the 2010s, Beijing emerged as a key supplier of military hardware to several Middle Eastern states, including Saudi Arabia, the UAE, and Pakistan (Fulton, 2020). This arms pipeline includes ballistic missiles, drones, radar systems, and air defense equipment capabilities that provide immediate utility in addressing security threats. Unlike Western allies, China typically embeds these transactions within broader economic and diplomatic deals, reducing concerns about export controls or human rights implications (Chaziza, 2020). This approach has offered Middle Eastern states appealing alternatives for balancing their security needs with diversified partnerships.

Meanwhile, China's diplomatic approach to regional crises—often consistent with its self-proclaimed "non-interference" policy—has nonetheless demonstrated strategic depth and nimbleness. For instance, in 2023, Beijing helped broker the Saudi–Iran



rapprochement, using its neutrality and economic leverage to serve as mediator (Fulton, 2023). This diplomatic foray suggests Beijing is willing to translate its economic foothold into soft-power leverage, all without overt intervention. Similarly, China's position on Gaza, which emphasizes humanitarian aid and calls for a ceasefire rather than armed intervention, reflects a calculated projection of influence compatible with its global brand (Fulton, 2023). These diplomatic moves align with Chinese strategic interests, reinforcing its image as a responsible stakeholder in global governance.

China's military footprint has also included collaborative exercises with regional navies focused not only on anti-piracy but also on humanitarian assistance and disaster relief. These low-intensity engagements serve a dual purpose: they enable the PLA to improve interoperability and cohesiveness with regional security actors while also showcasing China's rising power and fostering trust (Scobell & Nader, 2016). By contrast, Western military interventions in the region are often perceived as coercive or political, taking advantage of Beijing's restrained model to expand influence.

Nevertheless, China's strategy still faces limitations. Its Djibouti base is singular, lacks strategic depth compared to the U.S. and outposts like Diego Garcia or naval access in Bahrain, and its force projection capabilities are nascent (Scobell & Nader, 2016). Joint exercises remain limited in scope and infrequent, and military technology exports exclude more sophisticated weaponry such as advanced fighter jets or carrier groups. Security cooperation, while visible, lacks the binding security treaties that typify Washington's relationships with Riyadh or Tel Aviv. Moreover, civil-military cooperation, an important feature of U.S. alliances, is still relatively thin in China's Gulf relationships.

These limitations may stem in part from domestic and geopolitical constraints. Chinese strategic culture remains cautious about the costs associated with overseas military commitments, especially given its guiding principle of non-interference. Public opinion and institutional inertia constrain Washington-style expeditionary warfare, even in a supportive market. Geopolitically, China is acutely aware of potential escalation with the U.S., whose Central Command maintains a robust military

network across the Gulf and Eastern Mediterranean. Open confrontation or high-profile competition could undermine Beijing's economic and diplomatic goals by spooking partners wary of entanglement.

In summary, China's strategic and military approach in the Middle East is calibrated but cautious. It increasingly embraces forward-looking naval deployments, logistics bases, arms partnerships, and quiet diplomacy without sacrificing its preference for limited, low-risk engagement. This pragmatic adaptation allows China to protect its expanding economic interests while also testing the waters of global power projection. Although still in the early stages, this model, rooted in selectivity and subtlety, may well define China's strategic posture in geopolitically sensitive regions moving forward.

5. Regional and Global Implications

China's expanding presence in the Middle East is transforming the geopolitical landscape both regionally and globally. This involvement, once limited to trade and diplomacy, is now influencing regional alignments, affecting U.S. hegemony, challenging established norms, and prompting a reassessment of global power distribution. As China's economic, diplomatic, and limited security roles grow, the Middle East becomes a critical theatre in Beijing's broader strategy of building a multipolar world order.

5.1 Impact on U.S. Hegemony and the Shift toward Multipolarity

For decades, the United States has maintained unparalleled influence in the Middle East through its military presence, arms sales, and strategic alliances with countries like Saudi Arabia, Israel, and the United Arab Emirates. However, China's growing footprint is contributing to a shift toward multipolarity in the region. This does not equate to a direct challenge to U.S. supremacy in security terms, but rather a diversification of regional partnerships, what scholars term "multi-alignment" (Fulton, 2020). Middle Eastern states are increasingly hedging their bets by engaging not just with Washington, but also with Beijing, Moscow, and even New Delhi. This multi-alignment is evident in Saudi Arabia and the UAE expanding economic and technological cooperation with China while continuing security



partnerships with the U.S. (Fulton, 2020; Scobell & Nader, 2016). China's position as the largest trading partner for several Middle Eastern countries enhances its leverage without the historical baggage of military interventionism.

While the U.S. remains dominant in military and intelligence cooperation, especially with Israel and Gulf states, China's influence introduces a new balancing dynamic. This was evident when Beijing brokered the 2023 Saudi-Iran agreement, signaling its ability to engage in high-level diplomacy once monopolized by Western powers (Fulton, 2023). Although this does not displace U.S. influence, it demonstrates China's capacity to provide an alternative diplomatic channel.

5.2 Responses from Regional Powers

Regional powers have responded to China's rise with a blend of strategic enthusiasm and cautious pragmatism. Saudi Arabia has deepened its ties with China in sectors including infrastructure, energy, and technology. China's Belt and Road Initiative (BRI) aligns with Riyadh's Vision 2030, encouraging large-scale projects such as the construction of smart cities and high-speed rail (Chaziza, 2020). The signing of multiple energy and technology deals reflects a robust and pragmatic approach to economic diversification.

Iran, isolated from the West due to sanctions, sees China as a lifeline. The two countries signed a 25-year strategic cooperation agreement in 2021, encompassing energy, infrastructure, and potentially military coordination (Downs, 2021). Iran views this as a counterbalance to Western pressure, although the actual depth of Chinese commitment remains debated. Nonetheless, Iran has benefited from Chinese imports of sanctioned oil and investments in transport corridors that bypass chokepoints vulnerable to U.S. control.

Meanwhile, Israel has adopted a more cautious strategy. While it has welcomed Chinese investment in infrastructure and technology, particularly in its ports and telecom sectors, U.S. pressure has forced Israel to restrict Chinese access to sensitive areas (Fulton, 2020). This illustrates the tightrope that many Middle Eastern countries walk as they attempt to navigate the emerging bipolar world order.

5.3 Normative and Institutional Influence

Beyond economics, China's influence is being institutionalized through multilateral frameworks and soft power. The Middle East's gradual incorporation into Chinese-led institutions such as the Shanghai Cooperation Organization (SCO) and the Asian Infrastructure Investment Bank (AIIB) represents a shift away from reliance on Western-led institutions. For instance, in 2022, Saudi Arabia, Egypt, and Qatar became dialogue partners of the SCO, and Iran became a full member (ECFR, 2022). China also promotes its model of state-led development as an alternative to Western liberalism. This includes the concept of "non-interference" in domestic affairs, a principle that appeals to many authoritarian or semi-authoritarian regimes in the region (Chaziza, 2020). Chinese soft power-through Confucius Institutes, cultural exchanges, and elite education programs, is slowly but steadily gaining ground, though still limited compared to Western media and educational reach.

Nevertheless, China's normative influence remains constrained by several factors. First, it lacks the values-based appeal of liberal democracy. Second, it avoids involvement in contentious regional issues, such as the Israeli-Palestinian conflict, often opting for neutral and vague diplomatic statements (Scobell & Nader, 2016). This limits its ability to influence political narratives or foster ideological realignment in the region.

5.4 Strategic and Global Spillover Effects

China's Middle Eastern strategy also has global ramifications. Energy security is a critical driver. Nearly half of China's oil imports come from the Middle East, making the region vital to its long-term strategic planning (Fulton, 2020). Beijing has thus prioritized investments in port infrastructure and pipelines to diversify energy transit routes and reduce vulnerability to U.S. naval dominance-part of its strategy to resolve the so-called "Malacca Dilemma" (Downs, 2021).

Moreover, Chinese involvement in the region complements its broader Indo-Pacific strategy. Ports and logistics hubs in the Middle East are critical nodes in the Maritime Silk Road, linking China to Europe via the Suez Canal. This geoeconomic



connectivity strengthens Beijing's hand in global trade and logistics.

China's alignment with Russia in several global fora, including the BRICS and SCO, adds another layer to the emerging multipolar order. While the two powers do not share identical regional goals, their joint emphasis on reducing U.S. global influence creates a cooperative dynamic, including occasional coordination in the Middle East. However, competition and mistrust between the two remain potential limiting factors.

6. Challenges and Constraints

While China's growing influence in the Middle East has expanded significantly over the past two decades, its regional engagement faces numerous challenges and structural limitations. These range from geopolitical risks and strategic overstretch to local suspicions and internal contradictions in China's foreign policy doctrine.

6.1 Geopolitical Volatility and Security Risks

One of the most significant challenges facing China is the inherent instability of the Middle East. The region is prone to recurring conflicts, proxy wars, sectarian divisions, and terrorism. Beijing has long pursued a policy of non-interference in regional affairs, but rising economic and political stakes make complete neutrality increasingly difficult to maintain. For example, China's investments in Iraq, Syria, and Iran are exposed to risks from armed conflict, sanctions, and U.S. military actions (Scobell & Nader, 2016).

The Israel-Iran conflict and the Yemen civil war are key examples of crises in which Chinese economic interests—such as energy imports and Belt and Road Initiative (BRI) infrastructure—could be jeopardized. Beijing's unwillingness to take firm stances in such conflicts may protect it in the short term, but it limits its credibility as a serious power capable of shaping security outcomes (Fulton, 2020).

6.2 Strategic Ambiguity and Limited Military Presence

Despite growing economic engagement, China has avoided direct military involvement in the region. Its only military base in the region is in Djibouti, and its naval operations are largely limited to anti-piracy

missions in the Gulf of Aden (Downs, 2021). Compared to the United States' network of military bases and formal alliances, China lacks the strategic infrastructure and security guarantees that underpin true great power influence.

This military restraint stems partly from a strategic desire to avoid entanglement, but also reflects the People's Liberation Army's (PLA) limited expeditionary capabilities in comparison to the U.S. military (Scobell & Nader, 2016). Consequently, Beijing struggles to be viewed as a reliable security provider by regional states, reducing its leverage in strategic domains.

6.3 Diplomatic Balancing Acts

China's insistence on maintaining balanced relations with rival states—such as Iran and Saudi Arabia, or Israel and Palestine—presents another constraint. While this approach helps avoid alienating any major actor, it also restricts Beijing's ability to take decisive positions or lead peace processes. For example, China's simultaneous courtship of both Iran and Saudi Arabia, while useful economically, limits the depth of trust on either side (Chaziza, 2020).

Moreover, China's "non-interference" doctrine is often criticized as a convenient excuse to avoid responsibility in crises. Its reluctance to engage in high-stakes diplomacy during conflicts like the Syrian civil war or the Gaza crisis diminishes its image as a proactive global leader (Fulton, 2023).

6.4 Domestic Economic Pressures

Finally, China's domestic economic slowdown and rising debt levels within BRI projects may constrain its ability to sustain large-scale investments in the Middle East. Questions about the feasibility and returns of long-term BRI projects are increasingly raised, both domestically and in host countries (Hillman, 2020). The COVID-19 pandemic and subsequent economic aftershocks have further complicated China's capacity to continue financing ambitious foreign infrastructure ventures.

7. Conclusion

China's growing influence in the Middle East reflects a strategic recalibration of its foreign policy to align with its broader global ambitions. What began as a



primarily energy-driven relationship has evolved into a multifaceted engagement encompassing trade, infrastructure, diplomacy, and limited security cooperation. This expansion reflects Beijing's desire to assert itself as a global power, secure vital energy supplies, diversify trade routes, and shape an international order less dominated by the West.

Economically, China has become the largest trading partner for several Middle Eastern countries, leveraging initiatives like the Belt and Road Initiative (BRI) to secure investments in energy, logistics, and digital infrastructure (Fulton, 2020). Diplomatically, Beijing has positioned itself as a neutral actor able to mediate between traditional rivals such as Saudi Arabia and Iran, while avoiding entanglement in the region's protracted conflicts (Fulton, 2023). Strategically, it has made cautious inroads into security affairs, maintaining a military base in Djibouti and enhancing defense cooperation with a few regional states. However, this involvement remains limited compared to U.S. dominance.

Despite these advancements, China's regional role is constrained by several factors. Chief among them is the volatile geopolitical landscape of the Middle East, which makes economic projects and diplomatic initiatives highly susceptible to disruption. Moreover, China's policy of non-interference and strategic ambiguity, while safeguarding its relationships, also limits its credibility as a power capable of resolving regional conflicts or providing security guarantees (Scobell & Nader, 2016).

The balancing act that China maintains between Iran and Saudi Arabia, Israel and Palestine, and the U.S. and Russia demonstrates both its diplomatic finesse and the structural limits of its regional engagement. This multipolar, hedging environment benefits Beijing in the short term, as Middle Eastern states seek to diversify their foreign relations. However, the same environment demands that China take on greater responsibility, something it has so far been reluctant to do.

On a global scale, China's growing Middle East presence contributes to the erosion of unipolarity, ushering in a more multipolar world order where power is distributed across several actors. While Beijing is not attempting to replace the U.S. militarily, it is building a parallel economic and diplomatic sphere of influence that offers an

alternative model of engagement—one centered on infrastructure, trade, and sovereignty, rather than liberal norms and military alliances (Chaziza, 2020).

Ultimately, China's role in the Middle East is a work in progress. Its ability to maintain and expand influence will depend on its internal economic resilience, diplomatic dexterity, and willingness to navigate the region's complex political terrain. While challenges remain, there is no doubt that China has emerged as a critical actor in shaping the future of the Middle East and, by extension, the evolving structure of international relations in the 21st century.

Recommendations

- China needs to put in place a balanced policy of engagement that uses Chinese finances, but at the same time protects the national interest and does not place excessive reliance on foreign agents.
- Develop more effective risk hedging structures for investments in volatile regions and explore alternative, selective, and confidence-building security alliances to safeguard economic interests.
- Track the impact of Chinese enhancements of their presence in the Middle East on the stability in the region and global energy security, thus encouraging diplomacy and clarification of the perspectives.
- Research on Chinese BRI projects in the Middle East in regard to their environmental and social effects on the region and changing attitudes of the local people to the growing Chinese influence should be carried out in the future.

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