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**RESEARCH PAPER****China-US Competition in the Middle Eastern Political Chessboard:  
An Analysis**

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**ABSTRACT**

This article aims to highlight the rivalry between Saudi Arabia and Iran in the Gulf region with a focus on changing strategic and diplomatic relations between them as a result of Chinese growing influence in the region. The rivalry between Saudi Arabia and Iran was affected by different stimuli i.e., geopolitics and energy needs. US and Iran has been strained after 1979 due to different factors like nuclear issue and sanctions were imposed by the various US administrations on Iran. The tumultuous relations between Saudi Arabia and the US due to 9/11 incident and Arab Spring are giving space for the other powers i.e., China to influence in Middle East. This is a qualitative study by using descriptive and analytical methods and explains the contemporary scenario for US and Chinese competition in Middle East. The Chinese influence has considerable increased due to successfully mediating efforts between Iran and Saudi Arabia.

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**KEYWORDS** China, Rivalry, Iran, Middle East, Saudi Arabia

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**Introduction**

In 21<sup>st</sup> century, China and Saudi Arabia's relations have significantly improved. In China's Belt and Road Initiative (BRI), Saudi Arabia is a significant partner. The expanding economic ties between China and Saudi Arabia have not only been centered on energy collaboration but have also included trade, investment, and infrastructure development. China has leverage because of this expanding economic interdependence to promote dialogue and peace between Saudi Arabia and Iran. China has also maintained a stable equilibrium in its relations with Iran. China has worked to keep the stability of its energy supply chain despite international sanctions placed on Iran as a major importer of Iranian oil. The Joint Comprehensive Plan of Action (JCPOA), like the Iran nuclear agreement, has also received strong support from China. China has shown its commitment to multilateralism by backing the JCPOA and contributed positively in easing tensions between Iran and the international community, including the United States (MacGillivray, 2019). China's influence in Middle Eastern politics has been progressively growing due to economic interests, concerns about the security of its energy supply, and a practical approach to maintaining regional peace. China can help to ease tensions and foster a climate that is favorable to regional cooperation and development by utilizing its contacts with both nations, encouraging communication, and providing a forum for diplomatic efforts. A durable Saudi-Iran reconciliation,

however, will need persistent work, inclusion, and a determination on the part of both sides to put regional peace ahead of antagonism.

### **Literature Review**

The United States and China both wield significant influence in the Middle East, albeit in different ways. United States historically dominated the area mostly due to military presence, strategic alliances, and economic links. The US has pursued several goals, including assuring the security of its allies, safeguarding its energy resources' interest, combating terrorism, and fostering stability. With military installations and deployments in nations including Saudi Arabia, Qatar, Kuwait, Bahrain, and the United Arab Emirates, the US has maintained a significant military presence in the Middle East. The US has been able to project power, carry out military operations, and offer security support to its regional partners because of this military presence. To strengthen its position in the area, the US has also formed strategic alliances with nations like Israel, Egypt, and Jordan. In the Middle East, the United States has been a significant trading partner and investor economically. It has been vital to the region's oil sector, bringing in large volumes of oil and contributing knowledge and technology to increase output. Additionally, the US has shaped policy and influenced regional actors by using its economic power (Loft, et al., 2022).

China has significantly increased its influence in the Middle East in recent years. The main focuses of China's strategy in the area have been trade, investment, and economic involvement. China is a significant consumer of Middle Eastern oil and gas, making it an essential partner for nations that produce energy (Chaziza, 2020). Under the Belt and Road Initiative (BRI), which intends to improve connectivity and commerce routes between Asia, Africa, and Europe, it has also started undertaking substantial infrastructure projects. As they provide economic possibilities and assist their development ambitions, certain Middle Eastern nations have welcomed Chinese investments and infrastructure development. China's involvement in the area extends beyond the energy industry. Additionally, it has widened its involvement in several sectors of the economy and sought cultural and educational exchanges. Chinese companies have entered into a variety of industries, including manufacturing, construction, telecommunications, and infrastructure. China has been able to influence and forge connections with important regional actors because of its expanding economic position. While the United States and China share similar interests in the Middle East, it is crucial to remember that they also have different strategies and objectives. In the past, the United States has prioritized security issues, regional stability, and the security of its allies, by frequently using military force. China, on the other hand, has prioritized economic cooperation, non-interference, and respect for state sovereignty in its strategy (Abuelghanam, 2018).

Despite taking different tactics, the rising competition between the United States and China in the international arena has also spread to the Middle East. To protect their interests and compete for economic prospects, both nations are competing for influence. As Middle Eastern nations negotiate between the two giants to maximize their influence, this competition has made the geopolitical situation in the area more complicated. Both China and the United States play a key role in the Middle East, with China progressively acquiring economic sway through trade, investments, and infrastructure projects; while the United States has historically dominated the security and military realm. Shortly, the political, economic, and security environment of the area will continue to be shaped by the interactions between these two powers (Salman, et al., 2015).

## **The Overlapping U.S.-Saudi-China Relationship**

The United States and Saudi Arabia have a complicated partnership that has developed over many years, mostly due to American interests in Saudi oil and a common security concern. The two nations have kept up a strategic alliance in the area despite overcoming major obstacles including the 1973 oil embargo and the 9/11 attacks that involved Saudi citizens. The United States and Saudi Arabia started cooperating in the 1932 establishment of the Kingdom of Saudi Arabia, which was made possible by a partnership between the Saud family and Sheikh Mohammed Ibn Abdul Wahab's heirs. The internal and diplomatic policy of the nation has been impacted by this treaty, which promoted traditional Wahabi jurisprudence. Human rights organizations have criticized Saudi Arabia's stringent enforcement of religious restrictions and the promotion of its version of Sharia law, despite recent moves to relax certain prohibitions. When American oil corporations started working in Saudi Arabia's oil sector in the 1930s, the two countries' connection officially got flourished. The creation of the Arabian American Oil Company (Aramco) by American businesses like Chevron, Texaco, Exxon, and Mobil assisted Saudi Arabia in rising to the position of one of the biggest oil exporters in the world. American firms like Chevron, Dow Chemical, and Exxon Mobil still maintain refining and petrochemical interests in Saudi Arabia despite the country's progressive buyout of international owners. As a cornerstone of U.S. foreign policy, Saudi Arabia's enormous oil reserves and participation in OPEC have been depended upon by the United States to maintain stable international oil prices.

Beyond their mutual dependence on oil for economic gain, the US and Saudi Arabia have tight defense and anti-terrorism relations. Due to its oil riches, the U.S. gave the Persian Gulf region's security top priority, and Saudi Arabia was a key partner in keeping Iran in check throughout the Cold War. During the first Gulf War, the two nations worked together militarily, and the United States helped Saudi Arabia and Pakistan funded the Afghan resistance movement against the Soviet Union. However, Saudi conservatives criticized the American presence there and the relationship became tense, especially after the First Gulf War.

As fifteen of the nineteen hijackers were Saudi nationals, the 9/11 attacks significantly strained ties between the United States and Saudi Arabia. Anti-Saudi sentiment in the United States increased as a result of rumors regarding Saudi officials' participation in the attacks. In response, the U.S. Congress enacted laws allowing 9/11 families to sue the country despite Saudi Arabia's opposition and threats of financial reprisals. Despite this, Saudi Arabia continues to be the leading recipient of American arms transactions, with close to \$90 billion in defense deals since 1950. During the Obama administration, there was a divergence and realignment in the two nations' relationship. Issues like the United States' lack of support for the deposed Egyptian leader Hosni Mubarak and the absence of Saudi Arabia from the initial talks on Iran's nuclear program led to disagreements. On the other side, the Trump administration backed Crown Prince Mohammed bin Salman's assertive regional objectives and welcomed the new Saudi government under his leadership. However, the killing of Jamal Khashoggi at the Saudi consulate in Istanbul damaged ties between the United States and Saudi Arabia, prompting calls for Riyadh to be held responsible (Ahmadian, 2018).

The U.S.-Saudi alliance is reliant on financial links in addition to political and security relationships. With significant investments in American firms, including through its sovereign wealth fund, the Public Investment Fund (PIF), Saudi Arabia is one of the largest foreign investors in the United States. The PIF has partnered with well-

known American businesses and made large investments in a range of industries, including technology, energy, and entertainment. But the murder of writer Jamal Khashoggi in 2018 stimulated fresh scrutiny and condemnation of Saudi Arabia's record on human rights and its foreign policy. The episode caused tension between the United States and Saudi Arabia, with numerous legislators and human rights organizations demanding an investigation and reassessment of the alliance. Despite President Trump's veto, the United States Congress enacted legislation in 2019 to ban arms supplies to Saudi Arabia because it participated in the conflict in Yemen. The Biden administration now views Saudi Arabia with increased caution. According to a report published in February 2021 by the Director of National Intelligence, Saudi Crown Prince Mohammed bin Salman gave the go-ahead for the operation to kidnap or murder Khashoggi.

The dynamics of international interactions are evolving with time, and this is also true of the U.S.-Saudi relationship. The partnership between the United States and Saudi Arabia will continue to be shaped by regional developments, leadership changes, and shifting objectives in both nations.

### **Complexities of US-Iranian-China Relations**

A complicated history has shaped the ties between China, Iran, and the United States. It begins with the occupation of Iran by Soviet, British, and American forces during World War II. The American government received some praise from the Iranian people for its hard position in securing the withdrawal of Soviet soldiers. But in 1953, the United States and Britain launched a coup against Iran's democratically elected government led by Mohammad Mosaddegh and shattering this goodwill. Shah Mohammad Reza Pahlavi returned to power as a result of the coup, and he later turned into a devoted ally of the United States. Despite this, Iran's opinion of the United States deteriorated, particularly in light of its interference in Iranian affairs. Although there were ups and downs in the relationship, it mostly held until the Iranian Revolution of 1979. Since then, mistrust, conflict, and hostility on both sides have characterized Iran-U.S. relations. Iran worries about American efforts to isolate and overthrow the government there, while the United States considers Iran a threat to its interests in the Middle East.

China's involvement in the trilateral dynamic has increased over time in this complicated relationship. With Iran and the United States, China has grown strong economic and political connections. China, the second-largest economy in the world, consumes a substantial amount of Iranian oil and has made significant investments in Iran's infrastructure and energy industries. The trilateral relationship has become even more complex as a result of these tensions, with China leveraging its economic and political might to challenge American hegemony in the area. The evolving dynamics of international politics and regional interests continue to alter the trilateral relationship between the United States, Iran, and China.

### **Saudi Arabia and China: An Economic Partnership**

The oil industry has always played a major role in ties between Saudi Arabia and China. According to Reuters, China now receives 1.73 million barrels of oil per day from Saudi Arabia, making it the country's top oil supplier (Reuters, 2020). There are two key causes for China's growing reliance on Saudi Arabian oil. Firstly, as a result of the trade conflict with the US, US oil shipments to China have decreased (U.S. Energy Information Administration, 2020). Second, because of international sanctions, China

has decreased its imports of oil from Iran. Due to Saudi Arabia's enormous influence within OPEC, Chinese industries are kept operating with a consistent oil supply. In exchange, China offers Saudi Arabia a successful way to implement its Vision 2030, which aims to diversify the country's economy.

Although the initial focus of China's commercial relations with Saudi Arabia was on energy requirements, recent years have seen the growth of mutual collaboration in a variety of fields. In addition, many Arab entrepreneurs have relocated their operations to China's emergent markets, notably Yiwu, a burgeoning financial hub, while Muslims in general, and Arabs, in particular, suffer travel restrictions and racial intolerance there (Marsden, 2017). Saudi Arabia and China have agreed to cooperate in the development of new metropolises inside Saudi Arabia's boundaries. The significance of trade and investment has been emphasized by the two nations, who have also lowered economic obstacles and put in place organized programs. This is demonstrated by the rise in joint investments between 2005 and 2015, which went from \$40 billion to \$700 billion. Economic opportunities have also made travel between the two countries easier. For example, China now accepts nearly 1,000 Saudi students each year into its universities, and Saudi Arabia has seen a 50% increase in Chinese nationals working in the real estate, oil, and tourism sectors there (Chen & Han, 2019).

Due to Saudi Arabia's geostrategic location, the relationship between China and Saudi Arabia is essential. Saudi Arabia, which is positioned between the Persian Gulf and the Red Sea, has been working with China to build a railway system that connects the country with other GCC states. China will have direct access from the Persian Gulf to the Red Sea, avoiding the Bab-el-Mandeb chokepoint, due to projects like the 2,700 km North-South Railway and the 550 km railway connecting GCC states (Chen et al., 2018). Similarly, to this, Saudi Arabia has promised to spend \$10 billion on an oil refinery in Pakistan's Gwadar Port (*Al Arabiya*, 23 January 2019), establishing a transit route between Saudi Arabia and China that avoids the Strait of Malacca, which is dominated by the US. China and Saudi Arabia both want to increase nuclear cooperation as they deepen their economic ties. Saudi Arabia is interested in developing nuclear energy capabilities as part of its attempts to diversify its energy sources and lower domestic oil usage (Sun, D., Xu, H., & Tu, Y., 2022). However, given worries about proliferation, the US has voiced reservations about aiding Saudi Arabia. In contrast, as part of its multilateral collaboration with the country, China has demonstrated a readiness to enable the construction of nuclear reactors in Saudi Arabia. Collaboration in the nuclear and technology sectors is part of the "1+2+3 cooperation pattern," which was described in China's Arab Policy Paper in 2016 (Ministry of Foreign Affairs, PRC, 13th January 2016). This not only increases China's influence on Saudi Arabia but also denotes a strengthening of the bilateral relationship (Duan, 2022).

### **China's Reconciliation Approach and Threats for Diminishing the US Role**

Security is essential for China's initiatives and investments in the Persian Gulf both for China's interests and those of the partner governments of the area. The vulnerability of the Gulf States has been increased by Iran's attacks on shipment vessels and the Yemeni Houthis' retaliatory attacks. Although US bases have historically contributed to stability but recent attacks on Aramco, the oil firm of Saudi Arabia, have brought to highlight their limitation. Furthermore, the US disengagement strategy, the development of regional alliances, and the shifting dynamics under the Biden administration all pose threats to regional security. (BBC, 2019).

In this situation, China appears as a potential nation to start the Middle Eastern peace process. Through programs like the Maritime Silk Road and railway infrastructure, China's economic policies seek to link the area and encourage interdependence among regional economies. (Al Jazeera, 14th September 2019). Peace must be established for Chinese shipments to the Persian Gulf to be safely navigated. The need for stability is further highlighted by the security concerns raised among Chinese employees' families who are employed in the Middle East. As a result, China has to play a prominent role in peace efforts, using soft approaches like mediation and possibly hard methods by troop deployments.

The United States influence and strength in the Middle East have changed recently, raising the possibility that it may be waning in some areas. This shifting dynamic is influenced by several things. With an increasing emphasis on great power rivalry, notably with China and Russia, and a desire to shift towards other regions like the Indo-Pacific, the US has been reevaluating its foreign policy goals. Russia is primarily a crucial ally for the Arab Gulf countries in terms of controlling energy costs, exerting pressure on Iran, and gaining leverage over the US. For its part, Moscow makes use of the Arabs' desire for tight ties to strengthen its position and power in the region and to mitigate as much as possible the isolation and effects of the Western sanctions (Ali et al., 2020). This change has caused resource allocation to be reevaluated, perhaps deflecting focus from the Middle East. Significant military withdrawals of the US have also occurred, particularly in Afghanistan and Iraq. Even if some US troops are still there, these departures reflect a smaller military presence and a determination to end lengthy operations. Additionally, improvements in shale oil and gas extraction methods have increased the US's energy independence and decreased its reliance on Middle Eastern oil. The perceived requirement for a significant military presence for resource protection may decline as a result of this changing strategic calculus. To fill the vacuum created by the US recalibration, regional actors have likewise tried to do so. Israel, Saudi Arabia, and other nations have increased their assertiveness in advancing their regional agendas and interests. The United States relative influence may decline as a result of the rising agency of regional powers.

The US has pushed to settle regional disputes diplomatically, placing a priority on diplomatic engagement over military involvement. Initiatives to resolve the Israeli-Palestinian problem and resurrect the Iran nuclear agreement show signs of a possible turn in approach. But the outcomes of these endeavors remain uncertain. A long-term threat to US dominance is the emergence of China as a rival for Middle Eastern commerce, investment, and infrastructure development. Even while the US still has substantial economic and military might, China's expanding presence and influence in the area give Middle Eastern nations another option. Despite these changes, it's crucial to remember that the United States continues to play a significant role in the Middle East due to its strong military connections, allies, and economic links to the area. Even while adjustments and recalibrations could be taking place, total disengagement is improbable. The degree to which the US involvement in the Middle East shrinks or expands will depend on regional events, global dynamics, and US foreign policy priorities.

In mediation between Saudi Arabia and Iran, China demonstrates its expanding geopolitical power and diplomatic ability in world affairs. But it's still unclear whether China's strategy would be able to solve the Middle East's security problem. The Saudi-Iranian reconciliation process is moving forward at a time when both nations have stated a desire for a thaw, and China, which has maintained good relations with both, takes on a facilitative role. However, one of the major challenges ahead is inventing a

sustainable method to tackle the long-term security dilemma in the Middle East. If regional powers adopt aggressive strategies, then China's present equal-distance alliances with neighboring nations may be strained. China must address regional security issues and deal with the root causes of regional rivalry if it hopes to avoid such a scenario. China has put up a five-point initiative for achieving security and stability in the Middle East, but it still has many challenges when trying to cooperate with the area on security issues.

First of all, China lacks the capacity and desire to take control of Middle Eastern nations' security matters as the United States does. China may face the traditional conflict of engagement versus entrapment in forging relationships despite its opposition to alliance politics. Second, for China's strategy to be effective, it has to develop a structure that includes regional and international parties. Cooperation on Middle East matters has grown more difficult, nevertheless, as a result of China and the West's intensifying rivalry. A successful Middle Eastern operation for China is the mediation between Saudi Arabia and Iran. Beijing is working to create a new peace roadmap that takes into account the needs and interests of regional players while upholding China's long-standing traditions in foreign policy. Undoubtedly, it is a worthwhile yet difficult endeavor. Given the intricate geopolitical rivalry in the area and the escalating global competition, China's strategy still has a way to go before it can show that it is resilient in the volatile wars of the Middle East.

## **Conclusion**

The reconciliation between Saudi Arabia and Iran represents a significant diplomatic achievement within China's diplomatic history in the Middle East. China has good relations with both Saudi Arabia and Iran, whereas the US prefers to be involved in clique and alliance diplomacy and only maintains good relations with Saudi Arabia, making China capable of achieving diplomatic achievements on issues that the United States has long avoided discussing. At the same time, China's ability to function as an impartial mediator has been aided by the fact that it has no regional baggage. China will not employ force to implement its own ideals or go down the route of colonizing and plundering other hegemony, China can contribute positively to the international system and also offer solid proof for the application of the Global Security Initiative. To reestablish diplomatic ties and normalize relations, Saudi Arabia and Iran have engaged in discussions and negotiations through the mediation of Iraq and Oman. When Chinese President Xi Jinping visited Saudi Arabia in December 2022 and spoke with Arab leaders, including Saudi King Salman, these initiatives gained influence. China's role in enabling the Saudi-Iranian accord reflects its expanding influence and commercial interests in the region. China has a considerable commercial relationship with Iran and is a big importer of oil from both Saudi Arabia and Iran. This economic factor is extremely important to China's support of the pact. Furthermore, China's involvement in the is a change from the West's conventional dominance over Middle East. China places a strong emphasis on values like consultation, dialogue, and respect for local circumstances, which are appealing to nations looking for alternatives to the former Western-centric approach. Although the agreement is a result of communication, it is crucial to concentrate on future developments and outcomes. The goal should be to continue easing regional tensions and work towards constructing a respectable regional security system, building on current success. The Middle East has been significantly impacted by the normalization of Saudi Arabia's ties with Iran, opening the door for a larger "rapprochement wave" there. This trend emphasizes China's function as a trustworthy mediator and advocate for international cooperation. Many nations in the "global South" have avoided hostilities with China while preserving their own security

and economic interests as global multipolarity develops. Given the United States shifting Middle East policy, Saudi Arabia has made diversifying its security and military allies a top priority. Saudi Arabia hopes to lessen the possibility of direct Iranian attacks and future military conflicts involving Iran and the US or other Islamic nations by re-establishing diplomatic ties with Iran. Furthermore, despite objections from the United States, Saudi Arabia's support for China's "global security initiative" aligns with the country's own policy of diverse diplomacy. Saudi Arabia also understands the value of reliable oil exploration, transportation, and sales, which is consistent with its aspirations to diversify its economy. Iran, on the other hand, has a number of reasons why it wants to improve relations with Saudi Arabia. Iran has more motivation to restore ties and lessen American influence as a result of the economic disparity. It is believed that reducing tensions with Saudi Arabia and other Arab neighbors will reduce Israeli interference and improve regional stability. Additionally, Iran sees the US as a power that undermines regional and global security. By working out its problems with Saudi Arabia, Iran hopes to lessen the US's influence in the area and enlist China as a mediator, which will reduce US supremacy. Iran is now more driven than ever to handle its own problems through regional collaboration as a result of the wave of protests in Tehran and perceived Western attempts to use them for regime change. As they together possess a considerable portion of OPEC's reserves, Saudi Arabia and Iran's cooperation not only enables them to better manage the price of oil but also provides a significant incentive for their cooperation. Price stability is important for both economies and by working together, they can help keep the oil market stable.



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