

China's New Diplomacy in the Middle East and Its Implication for the United States

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Abstract: *Why is China interested in the Middle East? What are China's strategies to promote its interests in the Middle East? How influential is China in the region? Where do America's and China's interests converge and diverge in the Middle East? These are some important yet understudied issues. This paper examines Chinese diplomacy towards the Middle East since the early 1990s, with focus on China's efforts in obtaining oil, and its fight against separatism and terrorism along its northwestern border. It explores how Chinese activities affect US interests and US-China relations. The paper argues that China's policy towards the Middle East has primarily been driven by economic concerns so far. As its economic power continues to grow, China is expected to expand its political, diplomatic and cultural influence in the region. Despite their differences on issues such as how to deal with Iran, the United States and China have many common interests in the Middle East such as safeguarding energy security, promoting peace, and combating terrorism.*

Key Words: *China; Middle East; Middle Eastern oil; United States; US-China Relations*

I. Chinese Objectives in the Middle East

A) Searching for energy and market

China's overriding foreign policy objective now is to secure energy to fuel domestic growth. The Middle East is China's largest oil supplier. In October 2004, China Petroleum & Chemical Corporation (Sinopec) signed an agreement with Iran that could be worth as much as \$70 billion—China's biggest energy deal yet with any major OPEC producer. China also committed to developing the giant Yadavaran oil field in Iran and buying 250 million tons of liquefied natural gas (LNG) over the next 30 years; in return, Iran agreed to export to China 150,000 barrels of oil per day, at market prices, for 25 years.² China is Iran's top oil market, and Iran is China's third or second-largest oil supplier.

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² David Zweig and Jianhai Bi, "China's Global Hunt for Energy," *Foreign Affairs*, Vol. 84, No. 5 September/October 2005, pp.28-29.

Table: Top Oil Exporters to China: 2006-2009

ranking year	1	2	3	4	5	6
2006	Angola	Saudi Arabia	Iran	Russia	Oman	Equatorial Guinea
2007	Saudi Arabia	Angola	Iran	Russia	Oman	Sudan
2008	Saudi Arabia	Angola	Iran	Oman	Russia	Sudan
2009 (first half)	Saudi Arabia	Iran	Angola	Russia	Oman	Sudan

Source: The General Administration of Customs of China, <http://english.customs.gov.cn>, various years.

In response to US pressure, some European companies have cut their trade with Iran or withdrawn investments. As Western companies moved out, Chinese companies stepped in to fill the void and take over business. In March 2009 the Iranian government announced a new \$3.2 billion natural gas deal with China, according to which China will help in the development of the offshore South Pars field, believed to be part of the world's largest natural gas reservoir. The announcement was made just two days after the Obama administration renewed US sanctions against the Islamic Republic. However, Iran's difficult relations with the West have affected China's oil interests. For example, concerned about Iran's supply stability, China had to trim crude oil imports from Iran by 6,000 barrels per day for 2007. Meanwhile, China increased purchase of Saudi crude oil by about 44,000 barrels per day.³ Saudi Arabia currently supplies about 17 percent of China's total oil imports. Except in 2006, Saudi Arabia has been China's largest oil supplier and has become China's largest trading partner in the Middle East. In 2008 two-way trade between China and Saudi Arabia amounted to \$41.8 billion.⁴

Iraq has been a top oil supplier to China. In 1997 the state-owned China National Petroleum Corporation (CNPC) signed a deal with Saddam Hussein's government to develop the Ahdab oilfield. But work never started and Saddam-era contracts were no longer recognized in Baghdad after the 2003 US/UK invasion. China opposed the US/UK invasion of Iraq partly due to its substantial economic interests in Iraq. However, China quickly joined other major powers in the reconstruction of Iraq after the war. China pledged \$25 million and agreed to forgive a large part of Iraq's debt. The Chinese embassy in Baghdad reopened less than two

³ "China to Up 2007 Saudi Oil Imports to New High," *Reuters*, January 9, 2007. According to Chinese official statistics, in 2006 Angola surpassed Saudi Arabia to become China's largest oil supplier.

⁴ "Chinese President Meets Saudi Arabian King on Ties," *Xinhua News Agency*, February 10, 2009.

weeks after the transfer of authority to the Iraqi interim government in June 2004. Since the war, China has offered material assistance for Iraq's elections, provided scholarships for Iraqi students to study in China, and trained Iraqi diplomats at the China Foreign Affairs University. As one analyst, Yufeng Mao, has observed, China's generosity was not motivated by sheer goodwill; China was hoping to gain access to the bidding processes on big oil and infrastructure projects.⁵

China's support for the new Iraqi government quickly paid off. In early 2007 Iraq asked a Chinese oil company to review its drilling technique to develop the Ahdab oilfield first negotiated during the Saddam era. Iraqi President Jalal Talabani and Oil Minister Hussain al-Shahristani visited China in June 2007, accompanied by dozens of officials to revive the Ahdab negotiations. The upsurge in violence since 2003 has made Iraq less attractive to Western producers. Yet the new Baghdad government courted China because Chinese companies have been willing to invest in politically unstable regions. In August 2008 CNPC signed a \$3 billion oil contract with Iraq. It is Iraq's first major oil deal with a foreign company since the fall of Saddam. It was also the first time in more than 35 years that Iraq has allowed foreign oil companies to do business inside its borders. The contract would allow the CNPC to develop an oil field in southern Iraq's Wasit province for about 20 years, according to Iraq's Oil Ministry spokesman Assim Jihad.⁶

China has oil deals with other Middle Eastern countries. In 2006 Sinopec and Kuwait Petroleum Corp. agreed to build an oil refinery joint venture near the city of Nansha in Guangdong province. The \$5 billion project, to be completed in 2010 with a 15-million-ton annual capacity, will be the biggest Sino-foreign joint venture in the petrochemical industry.⁷

China and Syria signed an agreement in April 2008 to build a joint venture refinery in eastern Syria, expanding their cooperation to include oil processing. The agreement calls for CNPC to build a refinery with an annual capacity of 5 million tons (about 110,000 barrels a day), and CNPC is to shoulder 85% of the costs of the \$1.5 billion project, which is expected to begin operations by late 2011.⁸

Since establishing diplomatic ties in 1984, relations between the UAE and China have evolved significantly in both scale and substance. Bilateral trade between the UAE and China reached \$20 billion in 2007. In 2007 China exported goods and services worth nearly \$17 billion dollars to the UAE, of which nearly 70 percent were re-exported to other countries in the Middle East, Africa and even Europe.⁹ Chinese companies—especially construction, petroleum and petro-

⁵ Yufeng Mao, "Beijing's Two-Pronged Iraq Policy," *China Brief*, Vol. 5, Issue 12, the Jamestown Foundation, Washington, D.C, May 24, 2005.

⁶ "Iraq Signs \$3 Billion Oil Deal with China," *CNN*, August 30, 2008.

⁷ "China Approves Five-billion-dollar Petrochemical Venture with Kuwait," *AFP*, July 27, 2006.

⁸ "China Signs Oil Pact with Syria," *CNN*, April 8, 2008.

⁹ Samir Ranjan Pradhan, "Dubai Inc. in China: A New Vista for Gulf-Asia Relations," *China Brief*, Vol. 8 Issue 9, the Jamestown Foundation, April 28, 2008.

chemical firms – are increasingly setting up their bases in the UAE. There are more than 3,000 registered Chinese companies in the UAE. Dragon Mart, a supermarket vending low-priced Chinese products, is one of the important Chinese business establishments in the UAE. Additionally, the increasing flow of Chinese manpower to the UAE surpassed the 200,000 mark in 2007, out of which only 30,000 were laborers, the rest being executives and businessmen.¹⁰ The economies of China and many Middle Eastern countries are complementary, so more future cooperation in trade and investment is expected.

B) Combating terrorism and separatism along its northwest border

A third pillar of China's Middle East diplomacy is its fight against internal separatist movements linked to the Middle East. While the United States has focused on weeding out global terrorist networks such as Al Qaeda, China is more interested in maintaining security by defeating radical separatists and terrorists within its borders. The July 2009 ethnic riots in Xinjiang and the subsequent Al Qaeda's vow to avenge the deaths of Uyghur Muslims killed during the unrest highlighted security challenges China faces from terrorism, separatism and extremism in the years ahead. In this largest ethnic riot between the minority Uyghurs and the majority Han Chinese since 1949, about 200 people were killed and thousands injured. The situation in Xinjiang remains volatile.

The Chinese government seeks diplomatic support from Muslim countries in the Middle East to cut off any financial, political, or other support for radical groups. China's alleged support for US actions in Afghanistan was in part a reflection of its own security concerns. The Taliban cooperated with Al-Qaeda, which in turn supported the East Turkistan terrorist forces that threatened the stability of China's northwestern region.

China has serious security concerns along its northwestern border. It shares a 20-mile long border with Afghanistan. Radical separatists in Xinjiang have sparked riots, assassinations, and bombings since 1990. The East Turkestan Islamic Movement has sought to establish an Islamic Republic of East Turkestan. According to Chinese official sources, between 1990 and 2001, East Turkestan terrorist groups staged more than 200 attacks in Xinjiang, killing 162 people, including local community leaders and religious personnel.¹¹

The US Department of State labeled the East Turkistan Movement a terrorist group in 2002, but many in and outside the US government were concerned that China may tighten its ethnic policies in Xinjiang and other restive regions in the name of fighting terrorism and separatism. Nevertheless, China's determination to

¹⁰ Ibid.

¹¹ *People's Daily*, <http://english.peopledaily.com.cn>, January 25, 2002.

crush separatists provides an incentive for China to cooperate with the United States in the latter's war on terror in the Middle East.

II. Chinese Strategies in the Middle East

A) Formal diplomacy and public diplomacy

Chinese-Middle Eastern ties had become so strong by the late 1990s that not knowing China's Middle East policies would mean not understanding Chinese diplomacy as a whole. Nor can one fully understand the Middle East without knowledge of that region's relations with China, claimed one scholar, Guang Pan.¹² The strong relationship is a result of China's efforts to use both formal state-to-state diplomacy and public diplomacy or citizen diplomacy which promotes more extensive people-to-people exchanges.

Beijing's political and diplomatic pursuits in the Middle East have been underscored and reinforced by a clear trend of cultural, religious, educational, tourism, and other forms of societal exchanges between China and the Middle East. For instance, Chinese *hajj* pilgrims have traveled to Saudi Arabia every year since 1955; their number regularly exceeded 6,000 in the 1990s, and by 2003 had ballooned to over 10,000.¹³ As religious exchange widens, political and economic ties also deepen. China is involved extensively in many areas of economic development in the Middle East, and Chinese presence in the region is unmistakably glaring. A casual visitor to Teheran will be impressed by the supply of Chinese products in the supermarkets and department stores. China has already been Iran's second-largest trading partner, behind only the UAE.

The China-Arab Cooperation Forum has held biannual ministerial meetings and other associated meetings since its establishment in 2004. At the May 2008 third biannual ministerial Forum meeting in Bahrain, Chinese Foreign Minister Yang Jiechi said that "China and Arab states should make joint efforts to push for a new partnership and achieve peaceful and sustainable development."¹⁴ In Egypt, the most populous Arab country and a political and cultural hub of the Arab world, China has been invited to participate in the joint development of the Suez Special Economic Zone.¹⁵ China supports Egypt's strong interest in assuming the role of representing Africa and the Middle East alongside the five permanent members of the UN Security Council.

China is projecting its soft power in the Middle East. The first Confucius Institute in the Middle East was established at St. Joseph University in Beirut,

¹² For a historical survey of US-Middle East relations since 1949, see Guang Pan, "China's Success in the Middle East," *Middle East Quarterly*, December 1997.

¹³ *China Daily*, February 2, 2004.

¹⁴ "China's FM Makes Keynote Speech at China-Arab Forum in Manama," *Xinhua News Agency*, May 22, 2008.

¹⁵ "China, Egypt and the World," *Beijing Review*, <http://www.bjreview.com.cn>, May 15, 2005.

Lebanon in November 2006 to satisfy the growing demand for Chinese-learning.¹⁶ The Confucius Institutes at Teheran University and at Tel Aviv University officially opened in October and November 2007 respectively. The Amman TAG Confucius Institute was established in September 2008 as a cooperation of Talal Abu-Ghazaleh Organization in Jordan and Shenyang Normal University in China. China plans to set up more Confucius Institutes in the region. China and Egypt have agreed to establish the Chinese University in Cairo, the first Chinese university in the Middle East. Like Saudi Arabia, Egypt resents growing American pressure to implement democratic reforms and criticism of its human rights record. And like Saudi Arabia, Egypt finds moral and political support from China on these issues whenever it is censured by the United States or international organizations.

China's growing ties with the Middle East are also evident in the financial market. The Bank of China was approved to set up a branch in Bahrain in 2004, its first overseas branch in the Middle East.¹⁷ The economic allure of China is impossible to ignore, which is perhaps nowhere more obvious than at Dragon Mart in the UAE. The 1.6 million-square-foot shopping complex, nearly three-quarters of a mile long, sprawls more or less in the shape of a dragon along the Dubai-Oman Highway. Inside, some 4,000 Chinese firms offer everything from children's toys and "Double Happiness" cigarettes to forklifts and heavy machinery. This may well be the largest Chinese trading hub outside mainland China.

China has launched a public relations campaign to improve its image abroad. In July 2009 China set up an Arabic-language TV channel to show the Middle East and North Africa the "real" China amid Chinese complaints that Western media often have distorted the coverage of China. CCTV's Arabic channel broadcasts news, entertainment and cultural programs 24 hours a day. The new Arabic channel is accessible for nearly 300 million people in 22 Arabic-speaking countries. It is part of the Chinese government's plan to promote its own viewpoints by encouraging state-controlled media organizations to go global. It's also part of the government's efforts to project its soft power around the world.

B) Active involvement in the Israeli-Arab peace process

Since the beginning of the 21st century, China has become more actively involved in the Israeli-Arab peace process. Perhaps as a most significant sign of China's deeper involvement in the region, in September 2002, Chinese Foreign Ministry declared to appoint a special envoy to the Middle East "at the request of several Arab states."¹⁸ This was the first time that the Chinese government had appointed a special envoy on foreign affairs in a global region. Senior diplomat

¹⁶ "China and Middle Eastern Countries' Cooperation Enter the Stage of Comprehensive Development," Xinhua News Agency, December 18, 2006.

¹⁷ *People's Daily*, <http://english.people.com.cn>, April 20, 2004.

¹⁸ Chinese Foreign Ministry news conference, September 17, 2002.

Wang Shijie was named the first envoy. Shortly after his appointment as the special envoy, Ambassador Wang visited Israel and all its neighbors and consulted with the special envoys of the Quartet: the United States, Russia, EU, and the UN. In April 2006 another senior diplomat Sun Bigan succeeded Wang to become the special envoy to the Middle East.

China conducted a fresh series of shuttle diplomacy in 2009 to push for the peace process in the Middle East. In June 2009, Beijing's new special envoy to the Middle East Wu Sike traveled to Egypt, the Palestinian territories, Israel, Jordan, Syria, and Lebanon. In July and August 2009 he returned to the Middle East, saying that China was willing to help ease the tension in the Middle East, improve the relationship between Syria and the United States, and promote direct dialogues between Iran and the United States.

On December 15, 2006, a symposium on the promotion of peace in the Middle East was held in Beijing. This was the first such international conference initiated and sponsored by Beijing that was attended by officials from both Israel and the Palestine Authority. Chinese Former Foreign Minister Li Zhaoxing met with all participants during the conference. In 2006 Beijing also hosted Palestinian foreign minister and Hamas member Mahmoud Zahar. China has been active in UN activities related to the Middle East, ranging from pre-war arms inspections in Iraq to participation in the UN peacekeeping mission in Lebanon in 2005.

In addition to official activities, Chinese universities and think tanks have held academic events about the Middle East and China-Middle East relations. These institutions include Beijing University, Renmin University of China, Chinese Academy of Social Sciences (CASS), Fudan University and Shanghai International Studies University.

III. Assessment

A) How influential is China in the Middle East?

The Middle East as a whole has become one of China's major trading partners. Trade between China and the 22 members of the Arab League totaled \$51.3 billion in 2005, and China hoped that it could double to \$100 in 2010.¹⁹

China's presence is largely perceived as non-ideological, economically-oriented and pragmatic. Despite the fact that China has tremendously increased its presence in Middle Eastern politics and economics since the mid-1990s, there is little concern in the region that China will constitute a threat. "Hegemony, domination, imperialism are associated with the United States and Europe. China is not seen that way," commented Sami Baroudi, a political scientist at Lebanese American University, "Arabs appreciate its economic might, but don't see it as a

¹⁹ "China Seeks to Expand Trade, Energy Ties with Arab World," *AFP*, May 31, 2006.

political threat.”²⁰ In an interview with China’s *People’s Daily* in June 2004, Syrian President Bashar al-Assad said, “China is now a superpower and is very important after the absence of the Soviet Union. China’s role has expanded across the world and has become more important especially for small countries including Syria.”²¹

Nevertheless, China’s influence in the Middle East remains limited and is overwhelmed by America’s stronger ties with key players in the region. For example, in 2000, Israel bowed to US pressure and cancelled its plan to sell \$1 billion worth of Phalcon early warning system to China. China warned Israel that its decision to cancel the sale could hurt bilateral relations. But for Israel, its relations with the United States are still more important than any other set of relations Israel has. Israel-US relations are built upon shared democratic values and common strategic interests. In the future, however, as Chinese-Israeli relations continue to strengthen, Israel risks finding itself between a rock and a hard place.

For some, China is not a trusted power yet. Analyst Abdel Moneim Said at the Al-Ahram Center for Strategic and Political Studies in Cairo commented that “China is giving two bad lessons to the Middle East. Number one: violating human rights has nothing to do with development; you can have both. The second is that highly centralized political power does not mean necessarily an impediment for progress.”²² American actions continue to determine the limits of Chinese activity in the Middle East. Technical shortages restrict China from building an ocean-going navy to defend its sea lanes to the Middle East. China remains uncomfortably dependent on US naval power to ensure the safety of its tankers to and from the Middle East.

While China has penetrated into the Middle East on all fronts, the United States maintains the dominant external political, military and cultural actor in the Middle East. China’s gain is not necessarily America’s loss. For one thing, China cannot provide the security guarantees that the United States has to most of the countries in the region. But undoubtedly, countries in the region have become increasingly attracted by China’s development and the opportunities it brings about. “We are in a Catholic marriage with America,” said Omar Bahlaiwa, secretary general for the Committee for International Trade, a branch of the Saudi Chambers of Commerce, emphasizing that divorce is unthinkable. “But we are also Muslims – we can have more than one wife,” he quickly added, referring to the importance and attractiveness of China.²³

Unlike some Western countries, China does not lecture Middle Eastern countries on democracy and human rights. Increasingly Middle Eastern countries

²⁰ Quoted in Wenran Jiang, “China’s Growing Energy Relations with the Middle East,” *China Brief*, Volume VII, Issue 14 (July 11, 2007), p. 13.

²¹ *Syrian Arab News Agency* (SANA), June 21, 2004.

²² Peter Kenyon, “Political Factors Complicate China’s Clout in Mideast,” www.npr.org, All Things Considered, April 4, 2008.

²³ “Avoiding Political Talk, Saudis and Chinese Build Trade,” *The New York Times*, April 23, 2006.

are beginning to turn to China for help in conflict resolution. For example, Egyptian assistant Foreign Minister Ezzat Saad said that "China has become very much involved in the Middle East process and (Egypt) expects it to play a more active role."²⁴ Israeli President Moshe Katsav has also remarked that China has very good relations with both Israel and the Arab world. It can contribute positively to the relations between Israel and the Arab world.²⁵

China seems ready to be playing a more constructive role in the Middle East peace process. In late October 2007 Beijing received two visitors from the Middle East: Israeli Foreign Minister Tzipi Livni and Jordan's King Abdullah II. Livni visited China in an effort to lobby Beijing for its support to impose tougher sanctions against Iran. Meanwhile, King Abdullah II urged China to take a more active role in helping broker peace in the Middle East. China's growing influence could speed up a resolution of the Israel-Palestinian conflict and other lingering regional tensions, Abdullah said at the start of a closed-door meeting with Chinese President Hu Jintao. He said he hoped for a stronger Chinese role because "you are always considered an honest broker and are very well-respected in our part of the world."²⁶ Either willingly or unwillingly, it seems that China is set to play a more prominent role in the Middle East peace process.

B) Implications for the United States

In the long-running US-Iran nuclear row, large Western oil companies have put their existing Iranian projects on hold and have avoided signing new deals with Iran. That has left Tehran with little option but to turn for help to countries that are not US allies, including China and Russia. China and Russia's unwillingness to further punish Tehran at the UN frustrate Western efforts to denuclearize Iran. For China Iran's pariah status was an opportunity to exploit a market that would otherwise not exist. As long as China needs Iran to help meet its huge energy demand, it is unlikely that China will join Western efforts to isolate Iran.

Comparatively speaking, the Middle East is more important to China than to the United States as an oil supplier. Three of the top four suppliers of oil to the United States are in the Western Hemisphere (Canada, Mexico, and Venezuela), which currently comprise over 48% of total US petroleum imports, and Saudi Arabia only supplies about 8% of total US demand.²⁷ The Middle East as a region has been China's largest supplier of oil since the early 1990s. In 1998 and 1999, for example,

²⁴ "China's Participation in Middle East Peace Process Welcomed: Egyptian assistant FM," *The People's Daily*, November 23, 2004.

²⁵ "Israeli President Expects China to Contribute More to Mideast Peace Process," *People's Daily*, December 14, 2003.

²⁶ "No Sign of Iran Sanction Breakthrough Following Israeli Foreign Minister's China Visit," *The Associated Press*, October 30, 2007.

²⁷ "Robert E. Ebel, "US Foreign Policy, Petroleum and the Middle East," testimony before the subcommittee on Near Eastern and Asian Affairs, US Senate Committee on Foreign Relations, 31 October 2005.

the import from there accounted for about 60 percent of the total Chinese oil imports,²⁸ though since 2000 China has attempted to diversify sources of energy and has increased imports from Africa, Latin America, Central Asia and other regions. Still, in 2004 more than 45 percent of China's oil imports came from the Middle East. Given the global oil reserve and production pattern, the Middle East's status as China's leading oil supplier will unlikely change any time soon. If the US side can appreciate the Middle East's critical role for China's energy needs, perhaps it will understand why China has been actively engaged in the region. But if the United States perceives China's activities as threats to US interests, then the two great powers will be set on a collision course in the Middle East.

There is no solid evidence that the Chinese engagement with the Middle East is designed to undermine US interests or to challenge US dominance in the region. On the one hand, China wants a peaceful and stable Middle East to ensure a steady source of oil and to avoid entanglement in the region's conflict. It focuses on trade and economic development and does not intend to undermine US interests in the region. On the other hand, China does not want to give up lucrative relationships with Iran and Iraq, or see a region so dominated by the United States that there is no room for a Chinese economic or diplomatic role. It is these competing Chinese interests and policies that contribute to the complication of US-China relations.

From the US perspective, China's foray into traditional America's spheres of influence—the Middle East, Latin America, and Africa—is a source of concern. Already, many conservative forces in the United States are debating what to do about this new type of "China threat." Strategically speaking, the United States is deeply uncomfortable with China's growing activities in regions where the United States has enjoyed a near monopoly on international influence since the end of the Cold War.

China and the United States have different interests in Iran. While Washington does not permit Iran to go nuclear, Beijing's attitude is more ambivalent. However, China is also trying not to confront the United States directly in the region. For example, despite its long-standing opposition, along with Russia's and India's, to UN sanctions on Iran, China agreed with other four permanent members of the UN Security Council and Germany to report Iran to the Security Council over its nuclear program when Iran failed to account for its alleged nuclear activities to the International Atomic Energy Agency (IAEA) by March 2006.²⁹ During a meeting with visiting Israeli Prime Minister Ehud Olmert in January 2007, Chinese Premier Wen Jiabao was reported as saying that China opposed Iran having a nuclear arsenal.³⁰ This was encouraging for Western countries in their efforts to prevent nuclear proliferation in the Middle East. Yet on other occasions, the Chinese

²⁸ Xiaojie Xu, "China and the Middle East: Cross-investment in the Energy Sector," *The Middle East Policy Council Journal*, <http://www.mepec.org>, VII:3, June 2000.

²⁹ "Iran to Be Reported to Security Council," *The Washington Post*, January 31, 2006.

³⁰ "China Assures Israeli Prime Minister on Iranian Nuclear Bomb," *AFP*, January 10, 2007.

government has said that it does not oppose countries developing nuclear technology for peaceful purposes.

For obvious economic and strategic reasons, China needs to maintain a good relationship with the United States, after all the US navy remains in control of the sea lanes for oil routes from the Persian Gulf to the Strait of Malacca, where about 80% of China's energy imports pass. As the United States pursues its fight against terrorism in the Middle East, China's involvement in the region, especially its close relations with countries hostile to America, may pose serious challenges to US interests. Would it be wise for the United States to counterbalance China's newfound influence in the Middle East? The answer is no. Despite Washington's concerns over China's outreach to the Middle East, the United States and China share several key interests in the region: seeking energy security, opposing terrorism, and supporting Arab-Israeli peace. Both countries support a stable Middle East where their economic and strategic interests can be protected. The US-Chinese competition is clearly not built on the zero-sum model of the US-Soviet conflict during the Cold War. Today, China and the United States depend on each other for economic prosperity and international security.

China's global hunt for energy is clearly driven by its domestic growth needs. Though China is not engaged in a strategic or power competition with the United States in the Middle East, if its key interests are undermined by the United States, China may be forced to become more aggressive in its foreign policy such as being more proactive in its pursuit of oil from Iran and Sudan, which may pose a more serious challenge for the United States. CNOOC's bid to acquire Unocal in 2005, which eventually failed with strong opposition from US Congress, feeds the fear that the United States does not allow China equal and reliable access to the world oil market. The growing threat of UN sanctions on Iran and Sudan, which between them supply some 20 percent of China's oil imports, puts Beijing in an awkward situation of having to choose between safeguarding its economic interests and protecting the country's international image. If oil imports from Iran were cut off by sanctions, China would be forced to extend its demand to other suppliers and look for oil elsewhere. Therefore, the United States has to work with China to give it a sense of energy security and shared interests in a stable energy market.

The United States can help China become more energy efficient. If China used its energy more efficiently, it would have less need to obtain oil from countries that the United States wishes to contain. The United States can also take a more positive step to collaborate with China in developing alternative energies. Nuclear energy and liquefied natural gas are two obvious options. With its advanced technology, the United States is well positioned to provide assistance to China in the fields of new energy and environmental protection. Cooperation with China on reducing oil dependency will benefit both countries.

IV. Concluding Remarks

In early 2009, China overtook the United States as the world's largest exporter to the Middle East, marking an important milestone in what is a rapidly strengthening relationship between China and the Middle East. There is a growing "China fever" in the Middle East.

The era of China's passive role in the Middle East is over. China's diplomatic and economic efforts in the Middle East have been largely successful; it maintains good relations with virtually every country in the region, ranging from America's close allies such as Israel and Saudi Arabia to intensely anti-American countries such as Iran. Though China's activities in the Middle East are commercially driven, it has become more involved in political, security and other issues, and has enhanced soft power in the region. China has the potential and is expected to play a much larger political role in the Middle East especially in the Israeli-Arab conflict and the Iranian nuclear controversy. To become a more respectable growing power, China can and should take advantage of its good reputation in the region to do more to promote long-term peace between Israel and its Arab neighbors and to help resolve the stalemate in the Iran nuclear crisis.

China's involvement in the Middle Eastern political economy may have some negative and destabilizing effects. But the United States and China share many common goals in the region and there are prospects for cooperation between them on energy, peace process, religion, and other issues in the region. Hardly any evidence shows that China is engaged in a zero-sum competition with the United States in the region. It is premature to declare that the Middle East will become a new battleground for the two powers to compete for influence and control.

Many international and regional problems cannot be solved without cooperation between China and the United States. For the United States, paranoia about a coming China threat and a misguided policy based on this assumption will be the wrong choice. China is already heavily involved in Middle Eastern political economy. The US strategic calculations in the Middle East will have to take Chinese interests into consideration. It is impossible for the West to exclude or isolate China from the region. What the United States can do now is to actively engage China, address China's legitimate needs and concerns, and work with other powers to ensure the rise of a peaceful and responsible China in the future. Only by doing so can the two countries establish a constructive relationship and lay a solid foundation for future cooperation in international and regional affairs, including the Middle East issue.