

RUSSIA AND CHINA IN THE MIDDLE EAST

PLAYING THEIR BEST CARDS

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- Russia and China share a number of interests in the Middle East: limiting US power and maintaining good relations with all players in the region while remaining aloof from the key conflicts, especially between Iran and Saudi Arabia, and Iran and Israel.
- Russia's position has been based on political support for particular states, arms sales and the provision of civilian nuclear energy technology. Moscow has boosted its role by intervening militarily in the Syrian civil war.
- China has been strengthening its political position in the region for the last decade and its presence is more substantial from a financial-economic perspective.
- The current Chinese and Russian regional posture further marginalises the influence of the EU in MENA. In the Middle East, the EU is already a weaker economic actor than China and a weaker military player than Russia.
- However, the EU can cooperate with Russia and China on upholding the Joint Comprehensive Plan of Action on Iran's nuclear programme.



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INTRODUCTION

The Middle East and North Africa (the MENA region) have gained prominence in the foreign policies of both Russia and China in the last few years. The Russian military intervention in Syria, launched in 2015, turned Moscow into a leading player in the Syrian civil war and strengthened Russia's great-power credentials. China has emerged as a major economic partner for MENA states and has expanded its political presence in the region. While Russia and China share a number of interests in the region and declare political support for each other, the extent of coordinated actions remains limited.

This Briefing Paper explores the scope of Sino-Russian cooperation in the region. It compares China's and Russia's roles in MENA, with a particular focus on the Middle East, including the potential for future divergence. The implications for the US and the EU are also discussed. The paper argues that China and Russia have increased their presence in MENA, but in different ways.

Russia has boosted its military and diplomatic profile, as well as its arms sales and the provision of civilian nuclear energy technology. China has focused on economic investments, notably in the infrastructure and communications sectors. While the Russian and Chinese presence in MENA tends to be in competition with that of the West, there is some room for cooperation, particularly with the EU, on dossiers such as the Iranian nuclear programme.

SHARED INTERESTS, LIMITED COORDINATION

The Middle East and North Africa seem to offer numerous opportunities for Russia and China to cooperate. Both states are keen to show Washington the limitations of US power in the region. Both denounced the US-led intervention in Iraq in 2003, shielded the Syrian government of Bashar al-Assad from pressure in the UN Security Council (UNSC), participated actively in the negotiations over Iran's nuclear programme, and continue to defend the Joint Comprehensive Plan of Action (JCPOA) after the withdrawal of the United

States from the agreement. There have been no visible signs of divergence between Russia and China.

Both states abstained during the voting in the UNSC on Libya in 2011, thus paving the way for establishing a 'no-fly zone' and, indirectly, for the Western-led use of force. Russian and Chinese elites have since converged on recognising the Arab revolutions as being propped up by the West, and as a source of regional instability. Moscow and Beijing seek good relations with authoritarian rulers in the region, as illustrated by their unrelenting backing for the Egyptian military leader, Abdel Fattah al-Sisi, as well as their good relationship with Saudi crown prince Mohammed bin Salman, despite the murder of the dissident journalist Jamal Khashoggi. While this policy seldom differs from that pursued by the US and other Western states, in the case of China and Russia the support is much more consistent.

Notwithstanding this broad scope of shared interests, Sino-Russian coordination takes place mostly in the political sphere and at the level of political declarations. Moscow and Beijing use joint communications, issued after annual bilateral summits, to emphasise their consensus on particular Middle Eastern issues. Both states have repeatedly declared their support for a political-diplomatic solution to the Syrian crisis and the need for the international community to help in rebuilding Syria. Beijing also supports the Russia-initiated Astana process on peace talks concerning Syria, which was launched in December 2016 and also includes Turkey and Iran as power brokers.¹

Concrete joint actions are the exception rather than the rule, however. In 2015, both states conducted joint naval exercises in the Mediterranean, although this was the only joint military undertaking in the region, never repeated since. According to available sources, China has distanced itself from Moscow's intervention in Syria, although there were news reports suggesting Beijing's participation in training Assad's forces or helping to rebuild Syria.

¹ The 2019 joint communication is available at: <http://kremlin.ru/supplement/5413>.

WALKING A THIN LINE IN THE PURSUIT OF POWER

With the exception of Russia's military intervention in Syria, both Russia and China try to avoid entanglement in existing confrontations in the region and struggle to maintain good relations with all players. Moscow and Beijing managed to walk a thin line in the tensions between Israel and Iran, Turkey and the Kurds, Saudi Arabia and Qatar, remaining aloof from their rivalries and offering economic cooperation and political partnership. Both states attempt to reconcile their close political and economic ties with Iran with the willingness to develop cooperation with Saudi Arabia.

In the case of their policies towards Iran, Moscow and Beijing are keen to show their solidarity with Tehran, which at least partially stems from their willingness to demonstrate to the US the limits of American power in the region. The US factor can also explain tight coordination between Russia and China on the Iranian issue in the international arena, in the UN Security Council in particular. Most importantly, both Russia and China would like to prevent Iran from acquiring nuclear weapons and – contrary to the Trump administration – see the JCPOA as conducive to this goal.

Regarding Saudi Arabia, the motivations of both states are much more mercantile. China has embraced economic collaboration with Saudi Arabia as one of the pillars of its Middle Eastern policy. Not only has Saudi Arabia been China's second oil supplier (losing primacy to Russia), but Riyadh has also declared a series of multi-billion dollar investments in China, including refineries and the Chinese infrastructural project in Pakistani Gwadar Port. Beijing has opened up the telecommunications sector of Saudi Arabia for Huawei and 5G infrastructure and has also begun arms sales (unmanned aerial vehicles) in the Saudi market, which has been dominated thus far by the Western states.²

For Russia, it is dealings with the Organisation of the Petroleum Exporting Countries (OPEC) that link Moscow to Riyadh, particularly the OPEC+ deal to curb oil production and regulate prices, first agreed in November 2016. Russian mediation at the highest level led Saudi Arabia and Iran to put aside their differences

on this dossier, thus ensuring the success of the deal. Through a combined production cut of 1.8 million barrels a day, the OPEC+ deal allowed the oil price to grow from \$40 a barrel to around \$70 in 2018, which helped the Russian economy to stabilise.³ Moscow also managed to secure significant investments from MENA actors, most notably through the acquisition of a 19.5% stake in Rosneft, Russia's largest oil company, by the Qatar Investment Authority. Even though Saudi Arabia declared its interest in purchasing the Russian S-400 surface-to-air missile system, the agreement has turned out to be elusive to date.

Russia's political-military cooperation with Iran and the intervention in Syria have provided Moscow with significant leverage vis-à-vis Israel. Israel continues to court Russia in order to limit Russian support for Iran and obtain tacit acquiescence for the use of military force against Iranian troops in Syria. Additional links between Russia and Israel comprise the Russian-speaking diaspora and shared perspectives on and narratives about the Second World War. For China, in turn, Israel has been a source of advanced technology for civilian and military purposes, although the scope of cooperation tends to be limited as Israel faces US pressure to exercise caution in dealings with China. Russia and China's cultivation of good ties with Israel has also been reflected in their relative downplaying of the Palestinian issue.

RUSSIA PLAYS THE MILITARY CARD

The positions and roles played by Moscow and Beijing in the region are, however, far from identical. Having embarked on a military operation in Syria on the side of the Assad regime in 2015, Russia 'upgraded' its place in the region. It withstood American and European pressure to change its policy, playing a decisive role in Assad's near victory in the civil war. Moscow has also managed its relations with Turkey, despite conflicting approaches to the Syrian civil war. Putting aside ethical concerns about its tactics in the Syrian war (such as bombings in urban areas), Russia emerged as a key player in the region.

From the Russian perspective, the Middle East serves as a region where Moscow can showcase its military prowess and geopolitical weight, and elevate its

² M. Standaert, Saudi Arabia strikes \$10bn China deal, Al Jazeera, 22 February 2019, <https://www.aljazeera.com/news/2019/02/saudi-arabia-strikes-10bn-china-deal-190222151639392.html>; Mikko Huotari et al., *China's Emergence As A Global Security Actor*, Strategies For Europe, MERICS Paper on China, Np. 4, 2017, p. 76; <https://asiasociety.org/asias-new-pivot/china>. For Saudi Arabia's arms imports, see: <https://www.sipri.org/commentary/topical-background/2018/saudi-arabia-armaments-and-conflict-middle-east>.

³ Carole Nakhle, Russia's energy diplomacy in the Middle East. In N. Popescu and S. Secieru, *Russia's return to the Middle East*, Chaillot Paper 146, EUISS Paris, https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_146.pdf.

status as an indispensable great power. Russia uses the 'Middle Eastern card' to gain leverage in its relations with the US, but also to seek new political and economic partners in a world that Russia sees (and wants to see) as increasingly multipolar. The crisis in relations with the West after 2014 also prompted Moscow to intensify diversification efforts.

In the case of the intervention in Syria, domestic considerations played an equally important – if not primary – role. Russia frames its engagement as aimed at containing the spread of Islamic terrorism to the post-Soviet space and its own territory. The intervention in Syria, where several thousand Russian-speaking foreign fighters had become active, was officially presented as an anti-terrorism operation. Moscow was also determined to prevent the spread of revolutions and to demonstrate that incumbents cannot be removed by mass protests.

Another key factor was the Russian leadership's desire to prevent the regime change policy of the US. In the view of Russian leaders, the way the Syrian crisis is resolved will also constitute a template for the international community's response to internal conflict in the future. Hence, Russia was keen to prevent Western military intervention and Assad's overthrow. For Putin in particular, the precedent of Gaddafi's demise in 2011 and Libya's subsequent disintegration should not be repeated.⁴

As a result of the Syrian intervention, Russia has gained acceptance and support among incumbent regional leaders, who now see it as a firm upholder of the status quo in the Middle East.⁵ Russia has also managed to repair its relationship with Turkey, after a serious escalation in late 2015 and the first half of 2016 due to Ankara's downing of a Russian bomber near the Syrian-Turkish border. Due to tensions with the US and the EU after the failed coup d'état in Turkey in July 2016, Ankara sought closer ties with Moscow, which reciprocated by granting a key role to Turkey in the Astana negotiation process concerning Syria.⁶

However, the use of military force also involves serious risks. While large-scale fighting has ceased due to the defeat of most anti-Assad factions, reconciliation

and reconstruction in Syria appear to be a distant prospect. The violent resolution of the conflict may have complicated the pursuit of these goals. As the diplomatic negotiations promoted by Russia in Astana and Sochi have shown, reaching a lasting and comprehensive settlement in Syria is much more complicated than achieving military victory.⁷

CHINA CHOOSES ECONOMY

China, meanwhile, has broadened its economic presence in the region, but chose to stay on the margins of ongoing conflicts, self-limiting its political engagement. China has emerged as a major trading partner and the largest investor in the MENA region. It is trade partner number one for Saudi Arabia and Iran, number two for Israel, Iraq and the United Arab Emirates. Even for states whose trade has been dominated by the EU, China has managed to become an important import destination (for instance, number two for Algeria and Egypt). Its investments range from infrastructure (ports in particular) to telecommunications. The Middle East accounts for 44% of oil imported by China. In July 2018, President Xi pledged another US\$ 23 billion in loans and humanitarian assistance as he hosted representatives of 21 members of the Arab League in Beijing.⁸

Certain episodes pushed China to become more active, such as the need to evacuate its citizens, first from Libya, then from Yemen. This has not, however, changed general attitudes on the part of Beijing. Even the naval base in Djibouti, China's first military facility on foreign soil, is aimed more at securing naval routes than at paving the way for more engagement with the region.

For China, the Middle East remains the major source of energy imports, particularly oil (liquefied natural gas, LNG, is imported from Qatar). China has invested heavily in upstream – namely oil – exploration in Iran, Iraq, Saudi Arabia, and the United Arab Emirates. Beijing has also opened its downstream market to the Gulf states, with a number of them building refineries in China. Its efforts to reduce its dependence on the region, which include increased oil and gas imports from Russia and investments in LNG projects

4 See also Wolfgang Mühlberger and Marco Siddi, In from the cold: Russia's agenda in the Middle East and implications for the EU, Euromesco Policy Brief 91, 2019, https://www.euromesco.net/wp-content/uploads/2019/02/Brief91-In-from-the-cold_Russia_Agenda_In_The_Middle_East-1.pdf.

5 Mark Katz, What Do They See in Him? How the Middle East Views Putin and Russia, Russian Analytical Digest 219, <https://css.ethz.ch/content/dam/ethz/special-interest/gess/cis/center-for-securities-studies/pdfs/RAD219.pdf>.

6 Wolfgang Mühlberger, Astana's Syria Conference: Musical chairs on Moscow's terms, FIIA Comment 4/2017, https://www.fiaa.fi/wp-content/uploads/2017/04/comment4_astana_s_syria_conference.pdf.

7 Maxim Suchkov, Hosting Syria talks in Sochi presents challenges for Russia, Al-Monitor, 17 January 2018, <https://www.al-monitor.com/pulse/originals/2018/01/russia-challenge-national-dialogue-syria-iran-turkey.html>.

8 Reuters, 10 July 2018, <https://uk.reuters.com/article/uk-china-arabstates/chinas-xi-pledges-20-billion-in-loans-to-revive-middle-east-idUKBN1K007A>.

(such as Yamal LNG), have produced limited results to date as demand keeps growing at a fast pace and some of the larger infrastructural projects take a long time to complete. However, the Power of Siberia pipeline now appears to be close to completion and will start deliveries in 2020. According to recent estimates, by 2025 it will supply 38 billion cubic metres of Russian gas to China per year.⁹

China also aims to secure the support of MENA states for its policy towards the Uyghurs, a minority Turkic ethnic group living mainly in China's most western province of Xinjiang. Accusing Uyghurs of separatism and terrorism, the Chinese authorities have detained up to one million people in re-education camps since 2017. In July 2019, 37 countries (including MENA states) submitted a letter to the UN Human Rights Council, accepting the official narrative of the Chinese government. Since then, only Qatar withdrew its signature a month later.

The Middle East has also emerged as a more traditional field of China's economic expansion, including direct investment (including special economic zones), financial cooperation (loans), infrastructure construction (sea ports in particular) and technology development (comprising telecommunications, 5G technology, and submarine cables).

POTENTIAL FOR DIVERGENCE

Due to China's energy dependence on the Middle East, its strategic interests are that the MENA region remains as conflict-free as possible, and that oil prices are low. With regard to the latter aspect, Russia's perspective differs: as a major oil exporter, Russia can maximise its profits through higher global prices. Moreover, if the MENA region becomes less stable and secure, China would be urged to step up its quest for energy suppliers elsewhere, including Russia.

Despite these different perspectives in the field of energy, both Moscow and Beijing share an interest in the MENA region remaining stable. This is because destabilisation could lead to the proliferation of terrorism and have spill-overs on Chinese and Russian territory, particularly in regions that are potentially more exposed to the infiltration of fundamentalist ideologies.

On the other hand, there is also a risk that Russia's power politics and military stance in the region, if maintained in the medium or long term, will inadvertently lead to clashes with regional or other great powers. This would have a negative impact on Chinese security and economic interests. However, it is currently the erratic US policy under Donald Trump (rather than Russia) that poses the main threat to Chinese regional interests, as exemplified by the US withdrawal from the JCPOA and its backing of the Saudi and Israeli belligerent stance vis-à-vis Iran.

For the time being, the main potential divergence between Russia and China lies in competition in the economic sphere, in terms of arms sales and civilian nuclear technology exports.

For both Russia and China, the MENA region is an important market for arms exports. Algeria is the third largest weapons importer for Russia and China alike. For Russia, Iraq, Egypt and Syria are also significant customers. The showcasing of Russian weapons during the Syrian campaign appears to have boosted their marketability. Even traditional US allies such as Turkey have decided to start purchasing Russian weapons, most notably the S-400 surface-to-air missile system.¹⁰ Both Russia and China have attempted to gain a share of the Saudi Arabian market but to no or little avail so far. At the same time, the US and European countries remain the main weapon suppliers for large purchasers like Israel, Turkey, Saudi Arabia, Egypt and the Gulf states.

In the realm of nuclear energy, Russia and China have been competing for the same untapped market in the MENA region. On the one hand, China lags far behind Russia when it comes to exporting nuclear technology but, on the other hand, Rosatom has a full portfolio of orders, which may lead to delays in implementation. At this stage, Saudi Arabia and Egypt are the most plausible contested markets. China has signed MoUs with Egypt, Sudan and Iran (2015–16) and has been involved in negotiations with Turkey since 2014. Dubai, the United Arab Emirates and Saudi Arabia are among those courted by Chinese nuclear companies, with energy cooperation being framed as part of the Belt and Road Initiative. In the case of Russia, a nuclear reactor in Turkey has been under construction since 2017. Russia concluded a contract on two new blocks in Iran in 2014. Planning is advanced in the case of Egypt,

⁹ See Platts, 22 March 2019, <https://www.spglobal.com/platts/en/market-insights/latest-news/natural-gas/032219-russia-china-power-of-siberia-gas-pipeline-on-track-for-dec-startup-petrochina>.

¹⁰ Siemon Wezeman and Alexandra Kuimova, Turkey and Black Sea Security, Sipri Background Paper, 2018, https://www.sipri.org/sites/default/files/2018-12/bp_1812_black_sea_turkey_0.pdf.



China is the largest investor in the MENA region, and its investments range from infrastructure (ports in particular) to telecommunications. It is trade partner number one for Saudi Arabia and Iran, number two for Israel, Iraq and the United Arab Emirates. Source: Flickr/Michael R. Perry. CC BY 2.0.

but the contract has not yet been signed. There is also an MoU with Algeria, while the agreement with Jordan was cancelled in 2018.

The question remains open as to what extent Russia's military activities in MENA may lead to the destabilisation of the region and thus negatively impact China's interests. Two factors seem to mitigate the potential negative effects. Firstly, it is the erratic policy of the US, towards Iran in particular, as well as Saudi-Iranian rivalry that threaten China's interests more than Russia's military engagement in the region. Secondly, the fear of 'colour revolutions' sponsored by the West, which is shared by the Russian and Chinese elites, may partially explain Beijing's acceptance of Russia's use of force.

CONCLUSIONS

As a whole, the Middle East sheds light on certain features of contemporary Sino-Russian relations. First, both states demonstrate political affinity, supported by joint voting if necessary – which, however, has not always been the case with regard to Syria. Second, by each playing their best cards, military and economic respectively, they pose a serious challenge to Western

predominance in the region. However, Beijing is not willing to actively support Russia's geopolitical manoeuvring in MENA, either by military means or by extra economic incentives, such as participation in Syria's reconstruction.

China depends on MENA for its energy supply and has considerable economic interests in the region. Thus, Beijing seems inclined to support Russian policies diplomatically only insofar as they contribute to stabilising the region. While Russia also has economic interests in MENA ranging from energy to arms sales, its policy is largely driven by political and status considerations. Up to now, Russia and China have been able to reconcile their respective goals and posture in the region. They have also encountered a positive response from most regional actors, which have welcomed Chinese investments and engaged with Russian diplomacy.

For the West, this unintentional Russo-Chinese division of labour – rather than a full-fledged alliance – remains the key conundrum posed by closer Sino-Russian cooperation. The growing Russian and Chinese presence in the MENA region also highlights how the West's pre-eminence is eroding, and the world is becoming more multipolar. The US remains the main military actor in the broader region, but this

is no longer the case in some areas, such as Syria. China has become a major regional economic actor. Moreover, regional MENA powers are interested in diversifying relations and seek closer ties with China and Russia, especially as US policy has become more erratic under Trump.

The current Chinese and Russian regional posture further marginalises the influence of the EU in MENA. In the Middle East, the EU is already a weaker economic actor than China and a weaker military player than Russia. However, the EU can identify selected areas where its interests coincide with those of Moscow and Beijing. Upholding the JCPOA in the face of the Trump

administration's withdrawal from the treaty is the best example of such commonality of views.

In addition, the EU has an interest in the pacification and reconstruction of Syria, which would also relieve the humanitarian emergency in neighbouring countries. However, it is unclear whether Russia and China are willing to commit economic resources to the reconstruction process. Another highly relevant question pertains to the policies pursued by the Syrian regime in the process. If human rights violations and repressions continue, any EU financial or other involvement in the pacification of Syria will be highly unlikely.