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## China and the Middle East and North Africa (MENA)

The People’s Republic of China (PRC or China) has been expanding its diplomatic, economic, and security ties with countries in the Middle East and North Africa (MENA) region since the late 1990s. As in other regions, closer political relationships have accompanied the development of commercial ties between the PRC and MENA countries. For their part, some MENA governments are exploring and embracing China’s potential as an addition or alternative to the United States as a partner in some sectors, especially energy and trade. China’s growing role in the region, involving both allies and adversaries of the United States, has prompted U.S. policymakers and some Members of Congress to consider how the United States should respond to these shifting relationships. For a more detailed examination of this topic, see CRS Report R47482, *Middle East and North Africa-China Relations*.

### Diplomatic Relations

The PRC maintains robust bilateral ties with numerous countries in the MENA region, including “comprehensive strategic partnerships” with Egypt, the United Arab Emirates (UAE), Algeria, Iran, and Saudi Arabia. China also engages several of the region’s multilateral groups, including the League of Arab States (LAS) and the Gulf Cooperation Council (GCC). China engages the LAS through the China-Arab States Cooperation Forum, which holds biannual ministerial meetings, annual senior official committee meetings, and several affiliated exchanges. In December 2022, China’s top leader, Xi Jinping, traveled to Riyadh to participate in the inaugural China-Arab States Summit and the first China-Gulf Cooperation Council Summit, effectively raising PRC’s regular engagement with the LAS and the GCC to the head-of-state level.

China has also sought to position itself as a potential peacemaker in the region through an active diplomatic presence. In March 2023, China hosted the signing of an agreement between Iran and Saudi Arabia to reestablish diplomatic relations between the two countries. Some analysts point out that the groundwork for an agreement was laid prior to China’s involvement; other commentators have interpreted the move as a sign of China’s greater willingness and capacity to engage politically in the MENA region and reap the resulting recognition. In June 2023, Xi Jinping received Palestinian Authority President Mahmoud Abbas in Beijing and put forward a three-point proposal to resolve the Palestinian question.

The PRC officially supports and is party to the Joint Comprehensive Plan of Action (JCPOA, a.k.a. the Iran nuclear agreement). Since the United States’ withdrawal from the JCPOA in 2018, the PRC has “worked hard to help cement the consensus of all parties to safeguard the deal” and sought “to get the U.S. and Iran to full and

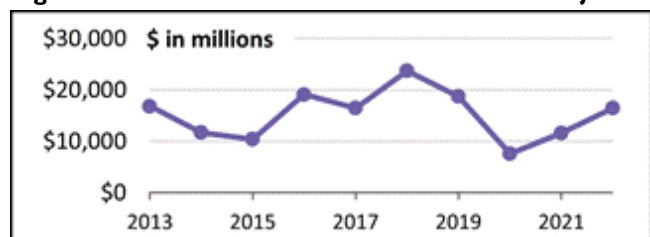
effective implementation of JCPOA,” according to one PRC diplomat. The PRC has reportedly been the principal purchaser of Iranian crude oil during since 2018, undermining U.S. sanctions policy. In June 2023, the U.S. Department of the Treasury sanctioned 13 Iranian and PRC entities and individuals for facilitating procurement of sensitive parts and technology for actors involved in Iran’s ballistic missile program.

### Economic Relations

According to the International Monetary Fund’s Direction of Trade Statistics, China’s total annual bilateral goods trade volume with countries in the MENA region reached approximately \$368.4 billion in 2022, up from \$284.3 billion in 2021 and the previous high of \$264.6 billion in 2014. For comparison, U.S. trade with the region in 2022 was valued at approximately \$144 billion. While the top categories of goods China trades with each country varies, the region’s exports to China are concentrated in the energy, mineral, and chemical sectors. The region’s imports from China include consumer electronics, advanced machinery, steel, and pharmaceutical products.

Unlike the United States, China currently does not have any bilateral free trade agreements with countries in the MENA region. However, the PRC government has pursued a series of initiatives to boost trade with the region on a multilateral basis. China’s accession to the World Trade Organization (WTO) in 2001 created market access opportunities by reducing tariffs imposed on PRC imports among WTO countries in the MENA region. To reach non-WTO countries in the region, China has pursued market access opportunities through alternative fora including the Belt and Road Initiative (BRI) and via bilateral agreements such as the Iran-China 25-Year Cooperation Program.

Figure 1. PRC Investment and Construction Projects



Source: Created by CRS with data from the China Global Investment Tracker, the American Enterprise Institute, and the Heritage Foundation.

Estimates of the total size of China’s investment and financing in the region vary. According to the American Enterprise Institute’s China Global Investment Tracker, MENA countries received approximately \$152.4 billion in investment and construction financing from China between 2013 and 2021 (see **Figure 1**). The BRI has expanded

China's financial ties in the region further by providing financing for major infrastructure, construction, and connectivity projects. Eighteen MENA countries and the Palestinian Authority have signed memoranda to participate in the BRI or support BRI projects. China currently has bilateral investment treaties in force with 11 countries in the MENA region.

## Military and Defense Relations

The United States remains the primary security partner of militarily capable and strategically located countries in the MENA region, such as Israel, Egypt, Jordan, Saudi Arabia, the UAE, and Qatar. However, these and other MENA governments appear to be pursuing diversification in their security and arms procurement relationships. Algeria, Saudi Arabia, Iran, Iraq, and Egypt have all purchased PRC-origin arms and conducted training and exercises with the Communist Party of China's military, the People's Liberation Army.

China's first and only identified overseas military base to date is located in Djibouti, adjacent to the Red Sea and the Gulf of Aden and in close proximity to the southwestern Arabian Peninsula. The U.S. Department of Defense states that China's government seeks to use its military to ensure its access to vital energy and other resources transiting the region's sea lines of communication.

The Shanghai Cooperation Organization (SCO) may provide a platform for security cooperation between China and some MENA states. Founded in 2001, the eight-member SCO has traditionally been a Eurasia-focused group by membership. Nonetheless, Iran's accession to the SCO in July 2023 and the 2022 addition of Egypt, Qatar, and Saudi Arabia as dialogue partners underscore the SCO's potential to embrace members from the region.

### Transnational Repression of Uyghurs

The PRC has sought to muster support among MENA states for its policies toward Uyghurs and other Muslim minority groups in Xinjiang and elsewhere in China. In 2021, the U.S. State Department determined that the PRC had committed crimes against humanity and genocide in Xinjiang. Twelve MENA governments were among the signatories of a 2019 letter to the United Nations Human Rights Council commending China's "remarkable achievements in the field of human rights" and affirming the PRC's Xinjiang policy. Some recent reports suggest that China may be pursuing the extradition of Uyghurs and their families residing in countries including Saudi Arabia, the UAE, and Egypt. For more on Uyghur issues, see CRS In Focus IF10281, *China Primer: Uyghurs*.

## U.S. Policy Concerns

Successive U.S. Administrations and many Members of Congress have raised concerns about the PRC's expanding global influence, including in the MENA region, particularly as some MENA governments appear to view China as an alternative to the United States in some sectors. In August 2022 testimony before the Senate Committee on Foreign Relations, Assistant Secretary of State for Near Eastern Affairs Barbara Leaf acknowledged China's

"growing influence" in the MENA region and identified related U.S. national security concerns. U.S. officials have asserted that the United States will not leave a vacuum in the MENA region for China or Russia to fill and have indicated that the Administration has informed regional U.S. partners that certain forms of security cooperation with China may jeopardize their defense and security partnerships with the United States.

## Issues Facing Congress

In considering whether and how the United States might respond to burgeoning PRC-MENA relationships, Members of Congress might examine and debate whether China's expanding presence and partnerships in the region inherently challenge or threaten vital U.S. interests. They might also debate whether some types of U.S.-PRC competition or cooperation in the region are appropriate and manageable and, if so, which. Issues that Congress may consider include:

**Strategic Competition.** Congress may consider requiring the Administration to develop a strategy to address China's growing profile in the region as it has for other regions. This would have been required by some versions of the Strategic Competition Act of 2021 (S. 1169, 117<sup>th</sup> Congress). Congress may also consider requiring additional information to help shape and oversee U.S. policy. In the 117<sup>th</sup> Congress, for example, H.R. 6269 would have directed the Administration to inform Congress on "cooperation between China and the United Arab Emirates on strategically sensitive matters that implicated U.S. national security interests, including defense technology."

Congress may also consider whether and how to exercise oversight over the Administration's use of the Countering PRC Influence Fund—which according to USAID "will be used to fund [...] new programming worldwide to resist the PRC government's malign authoritarian model while advancing our own affirmative global development agenda"—and efforts by the State Department's Global Engagement Center to counter PRC state narratives in the region. As part of these efforts, Congress may also consider whether and how best to communicate U.S. positions regarding China to partners and rivals in the MENA region.

**Energy Trade.** Given MENA countries' importance to energy supply chains, Congress may consider whether the United States should design a MENA energy strategy similar to that proposed by the Indo-Pacific Strategic Energy Initiative Act (S. 1720). In light of the MENA region's position along major sea lines of communication and the region's essential role in Indo-Pacific energy security, Congress may consider examining vulnerabilities, risks, and opportunities associated with the energy trade in the event of escalating tensions involving China.

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