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Slowly but Surely: Growing Relations between Saudi Arabia and China

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On October 27, 2016, a joint anti-terrorism exercise was completed in China, with dozens of combatants from the Chinese and Saudi Arabian special forces participating. The exercise, the first of its kind, invites an examination of trends in China-Saudi relations as part of the network of ties between world powers and leading Middle East states.

From China's perspective, enhanced relations with the Saudi kingdom address a variety of interests, including: promoting security and energy interests and boosting its economy; balancing its strategic posture, which is heavily based in East Asia, by turning westward; improving its internal stability in western China by striving to stabilize the near periphery in central Asia and the distant periphery in the Middle East; alleviating the domestic threats of radical Islam (posed particularly by the Uyghur minority in the Xinjiang region) and minimizing the external criticism of China's treatment of its Muslim citizens; and finally, recognition of its standing as a global power, while increasing its involvement in an asset-rich region.

From Saudi Arabia's perspective, China constitutes a stable and reliable strategic partner that complements the kingdom's strategic relations with the United States, mainly on economic and political dimensions, and without the unpleasant Western criticism on issues relating to human rights and democratization. Therefore, both countries are finding a common comfort zone in mutual respect of their sovereignties without trying to change each other: they are both concerned about the challenges to their internal stability posed by the upheavals in the Middle East; both are seeking stability and security in the Middle East and a safe flow of energy; and they both recognize a zone of common interest in economic development while safeguarding governmental order.

The regimes manage the bilateral relations while maneuvering impressively between areas of contention and while finding points of delicate balance for mitigating possible tensions. China successfully implements its traditional Middle Eastern policy ("getting along with everyone"), conducting parallel but separate relationships with Iran and with Tehran's sworn enemies, Saudi Arabia and Israel. China's support for Russia and the Assad regime in Syria is diametrically opposed to Saudi positions; Beijing has also called for an end to the fighting in Yemen, while avoiding substantive criticism of the kingdom's fighting there. For its part, Saudi Arabia has deepened its economic relations with China, without damaging its trade relations with the United

States, let alone its security and political relations with Washington. To a great extent, this maneuvering was successful because China has consistently refrained from explicit declaration of a concrete regional policy, from taking clear sides on points of contention or expressly supporting sides to conflicts, and from public wrangling – this within the scope of a policy replete with internal contradictions that coexist harmoniously in ambiguity.

A recent study by the Rand Institute defined China and its involvement in the Middle East as “an economic heavyweight, a political lightweight, and a military featherweight.” This pattern of involvement is also evident in its relations with Saudi Arabia, with its lion’s share in the economic sphere (according to data from the UN Comtrade database, bilateral trade totaled about \$51 billion in 2015 and about \$21 billion during the first half of 2016), focusing on energy. While oil exports from Saudi Arabia to the United States have diminished gradually, due to increased US oil shale production, China, the largest oil importer in the world, has become Saudi Arabia’s principal customer. Saudi Arabia is now seeking to sustain its dominance in the Chinese energy market in the face of intensifying competition, mainly on the part of Iran and Russia. To this end, and to help stabilize the supply, Saudi Arabia is operating in China through investments and the establishment of oil refineries and strategic stockpiling facilities for Saudi oil in China. Furthermore, many Chinese companies are operating in the Saudi market in the fields of infrastructure, construction, and communications, and employ tens of thousands of Chinese workers. Both countries also agreed to cooperate in the field of renewable energies, including nuclear energy, and in the field of aerospace.

Diplomatic relations, led by visits by senior officials and cooperation agreements, have also risen over the last decade, and most of their achievements are geared to promote trade and economic relations. Between 2008 and 2013, Chinese officials visited Saudi Arabia twice a year on average, compared to an average of 2.8 visits per annum by their counterparts from the United States. Notable in this context were the visit to Saudi Arabia by China’s President Xi Jinping in January 2016 and the reciprocal visit to China by Deputy Crown Prince and Minister of Defense Mohammad bin Salman in September, during which they signed memoranda of understandings on a series of topics and announced the deepening of the bilateral security dialogue. In this context, a five-year security cooperation contract was signed on November 6, 2016, focusing on joint security training between Saudi Arabia and China.

Thus far, security relations have focused primarily on weapons sales from China to Saudi Arabia, particularly systems that other suppliers refused to sell to Saudi Arabia, inter alia, due to the restrictions of nonproliferation regimes and pressure from Israel. Notable in this context are the sale of dozens of CSS-2 and DF-3 ballistic missiles in 1988, the sale of DF-21 ballistic missiles in 2007, and in the last years, perhaps even cruise missiles, and highly likely, reconnaissance and attack UAVs, which Saudi Arabia apparently employs in the fighting in Yemen. Nevertheless, overall, Chinese security exports to Saudi Arabia constitute merely a niche, since over the years,

Saudi Arabia acquired most weapons from the West (mainly from the United States and the United Kingdom), while imports from China were only marginal in volume, though qualitative strategically.

Saudi Arabia understands that currently there is no substitute for the American military presence in the Gulf to curb Iranian encroachment, but it is not interested in finding itself, overall, becoming completely dependent on the United States, particularly as the image of the United States as a stable pillar for security was damaged during the Obama years. The disagreements with the United States were exacerbated as a result of the administration's policy toward Egypt, its siding with the Muslim Brotherhood, its weakness vis-à-vis Assad's regime and Putin's moves in general, and in Syria in particular, and the nuclear agreement signed with Iran, which the Saudis see as a highly negative development.

These tensions pushed Saudi Arabia to attempt to improve its relations with various countries as much as possible, including China, and perhaps this, inter alia, served to signal to the new administration that the relations between the countries must be restored to the status quo ante. The recent military exercises enabled both Saudi Arabia and China to gradually improve their military ties on "soft" issues (e.g., combatting terrorism), as a supplementary layer to their mutually beneficial economic relations, and serve their mutual political and strategic interests. For China, the military exercises constitute another cautious measure toward promoting relations and interests both in mainland China and beyond its borders, at a very low risk level. It is possible on the basis of the current military cooperation to build relations with the top Saudi security officials, and in particular, Prince Mohammad bin Salman, who potentially could reach the throne in the coming years.

Nonetheless, China cannot and is not interested in supplanting the United States as the strategic security guarantor of the kingdom's safety and of regional stability, shouldering the burden this entails. The scope of the United States military presence and its ability to project power, coupled with the quality of its weapon systems, the depth of its military and political relations, and its interoperability with allied militaries, are beyond China's competitive capabilities, at least in the near and medium range.

Against this background, and coupled with the rapid development of the Israel-China trade relations on the one hand, and the wider spheres of common interests between Israel and Saudi Arabia on the other, there may be potential to promote common topics of interest in the China-Saudi Arabia-Israel triangle as long as they are of low visibility and of sufficient deniability. Considering that China has proven advantages in developing economic infrastructure, while Saudi Arabia can and wants to have an economic-strategic impact on the region, Israel would do well to continue striving to tap the potential in the partnership between them to stabilize its strategic environment, with an emphasis on those countries that are at peace with Israel – Egypt and Jordan – as well as the Palestinian arena.

Israel should likewise continue monitoring the development of relations between China and Saudi Arabia in the security dimension (visits, agreements, military exercises, delegations and, in the future, possibly military bases and the presence of forces in the region), and monitoring the regional implications. First and foremost, Israel should monitor nuclear-related developments and the arrival of special weapon systems, particularly missiles (surface-to-surface, surface-to-air, anti-ship) and UAVs, which could affect the military balance in the region and Israel's qualitative and quantitative edges. Furthermore, as the Saudi regime is analyzing ways to promote its national strength by establishing indigenous industries, it would be advisable to monitor the growth of China-assisted military industries in the kingdom, as a possible source of potential threats in the region. These are issues that should be discussed between the defense establishments in Israel and the United States, as well as between the Israeli government and the Chinese government and, if possible, between Israel and Saudi representatives.

