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## **The Shifting Saudi-Iran Ties from Rivalry to Rapprochement:**

### **China's Growing Power Projection in the Middle East**

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#### **Abstract**

*One of the most complex debates in contemporary world is the rapidly rising China and its growing influence in world politics. The Middle East has been the pivot of the global political theater for the last several decades due its immense energy resources and the vital geostrategic position in world politics. The Saudi-Iran rivalry, their struggle for regional hegemony and the growing Chinese soft power projection in the Middle East, particularly its role in the rapprochement between Riyadh and Tehran is presently a key subject. The two regional powers emphasize upon their respective ideological emblems to constitute the foundation for legitimacy of their doctrines in the Islamic world. The rapprochement deal brokered by China between Riyadh and Tehran, is a major breakthrough in the contemporary world politics. This study aims to examine the Chinese growing influence in the Middle East region and its mediating role in the rapprochement between Iran and the Kingdom of Saudi Arabia (KSA). This study endeavors to explore the transition phase of Saudi-Iran's alteration of bilateral relations from rivalry to fruitful rapprochement across the volatile Middle Eastern geopolitical context and the vital role of Chinese soft power projection in the region and the reconciliatory process. The paper concludes that the Saudi-Iran rapprochement suggests a prospective development in the conflicts of the Middle East, offering far-reaching regional and global implications for future political alignment.*

**Keywords:** Smart Power, Regional Security Complex Theory, Proxy Wars, Geostrategic, Geo-economics, Balance of Power

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## Introduction

The only constant in international politics is the change. Hence, the rise and fall of the major powers players is one of the most significant features of the international political system. Owing to this rising and declining cycle amid great powers, the dynamics of the world order has been consistently witnessing transitions. At the dawn of the 20<sup>th</sup> century the global system was multipolar, having number of major players but as a whole Pax-Britannica was the order of the day. However, at the end of the Second World War, the global system turned out to bipolarity with the two ideologically confronting blocks, the capitalist and the communists, led by the United States (US) and the United Soviet Socialist Republic (USSR) respectively. The culmination of the bipolar system and the dissolution of the former USSR led the global political structure to the unchallenged US controlled unipolar system, upholding the notion of Pax-Americana as the defining feature of that system. Nevertheless, the outbreak of the current millennium witnessed the exceptional rise of China, which has surprisingly started challenging the US hegemony worldwide, particularly in various critical counties of Asia, Africa and North America .

During the latter half of the 20<sup>th</sup> century, owing to its immense geostrategic location and abundant resources of hydrocarbons (Oil and Gas), the Middle East remained at the center stage of the World politics and caught the attention of the major powers. The great powers have been ardently maintaining their strong footholds in the Middle East region. The US has had special focus on the Middle East for its energy requirements as well as global dominance. The 1979 Iranian revolution, not only bitterly offended Riyadh and Washington but also brought them closer to each other; and together they stridently aimed at isolating and

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punishing Tehran (Ghamari-Tabrizi, 2019). However, since last few decades China has been constantly strengthening its ties with various countries in the region, predominantly with the two arch rivals; the Kingdom of Saudi Arabia (KSA) and Iran. In the recent past Beijing has pledged hundreds of billions of dollars investments in Saudi Arabia and Iran and it is one of the biggest oil consumers and trading partners of the two ideologically confronting regional players (Shafqat, 2017). China's stance on both nations has been determined by its non-interference policy in the internal affairs of states; rather employing special emphasis on trade and economic opportunities. However, the growing Chinese energy requirements and the consistently emerging developments in global political structure have started budding out significant changes in China's long term objectives in the Persian Gulf. The Chinese oil imports from the Middle East in the past few decades have increased by manifold with its exceptional economic rise.

China's growing ties with both the regional contenders also seems to place it as a potential pacifier, helping to mitigate rivalry between Saudi Arabia and Iran. The Chinese efforts for rapprochement can ease out tensions in the Persian Gulf by opening various arenas of increased cooperation in the fields of oil industry, petrochemicals, renewable energy, technology, state of the art communication lanes and mega projects of infrastructure. However, the Chinese mediating role for this reconciliation is a highly complex undertaking due to the decade's long deep-rooted Saudi-Iran rivalry and the distressing role of other regional and international actors. This paramount challenge would demand strong political will and profound cooperation from all parties involved for its successful resolution.

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The major aim of this study is to examine the Saudi Arabia-Iran rivalry and the dynamics of Middle Eastern politics. Examining China's goals in securing energy resources, fostering economic cooperation, and increasing its geopolitical power in the area is the goal of the study. It also looks at how China could be able to mediate or act as a stabilizing influence in reducing tensions between Saudi Arabia and Iran. To understand the changing political landscape in the Middle East, one must have a thorough understanding of China's influence in Saudi Arabia and Iran.

### Figure No 1: China and the Middle East Connections



### Statement of the Research Problem

China's recent mediation between Saudi Arabia and Iran and the rapidly occurring developments in the Middle East and world over would settle the future course of regional and global politics. From the summit discussions between the Chinese

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President Xi Jing Ping and the top level leaders of Iran and Saudi Arabia to the trilateral meetings of foreign affairs officials in Beijing has sparked discussions about its efficacy and China's growing influence in the region. Although the Middle East, traditionally remained resistant to outside mediation plans, China's economic power and political influence, as demonstrated by high-level meetings with leadership of the Persian Gulf have raised the hopes for bridging the rivalry into rapprochement.

### **The Significance of Study**

The fundamental coordinates of this study is to explore the dynamics of transition in Saudi-Iran's bilateral relations from decades long rivalry to a new age of constructive engagement and eventually to rapprochement within the highly complex political environment of the Middle East and the fundamental role of China's soft power projection towards this process. This can be helpful for the readers crystalize the historical dynamics of Saudi-Iran relations over the decades and the prevailing geopolitical and geostrategic rebalancing at play in the region under the assertive influence of China's soft power and its long-term efficacy.

The KSA-Iran conflict of interests, their race for regional hegemony and the Chinese growing interests in the Middle East are highly significance subjects for peace and stability in the region rather the entire international political system. The Riyadh-Tehran antagonism appears to be more focused on dogmatic ancestries but many a times geo-political and geo-strategic dispositions seems more weighty in this long standing rivalry. The two key players have always used their ideological split as the instrument of persuasion for the common people, ethnic or sectarian groups and even political regimes of different states in the

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region and beyond, primarily in the Muslim world. Interestingly, up till now Saudi Arabia and Iran have not been engaged in direct conflict with each other but they have been consistently exchanging concerted signals of enmity through sectarian outfits. In case of direct rattle between the two states, there would be outrageous repercussions for the regional stability in the Middle East and the overall global system. The endless pursuit for regional hegemony amid Iran and Saudi Arabia even on the expense of other states has shocking bearings for the security of the entire Middle East region, predominantly the Persian Gulf. In case, this long standing rivalry turns into conflict it will certainly hamper the economic, political and strategic interests of the rising great power like, China.

This study examines the Saudi-Iran rivalry from different angles like; economic, political, national security, geopolitics and even the nature of leadership of the two countries and the influence they can exercise on overall politics of the Persian Gulf. The two oil-rich regional actors have vital role in Organization of the Petroleum Exporting Countries (OPEC), an intergovernmental international organization that enables co-operation among the leading oil producing countries to collectively influence the global oil market. However, they have been challenging each other for dominance of the oil market world over. (Hoang-Nguyen & Turan, 2019). Riyadh and Tehran have also been involved in proxy wars against each other by allegedly providing political, economic and arms support to their client states or militias and sub-state groups in the region and beyond for decades (Berti & Guzansky, 2014). In the Saudi-Iran ties, the 1979 Iranian Islamic Revolution's has a vital role, for this highly critical development intensified the rivalry between the two nations over the past four decades.

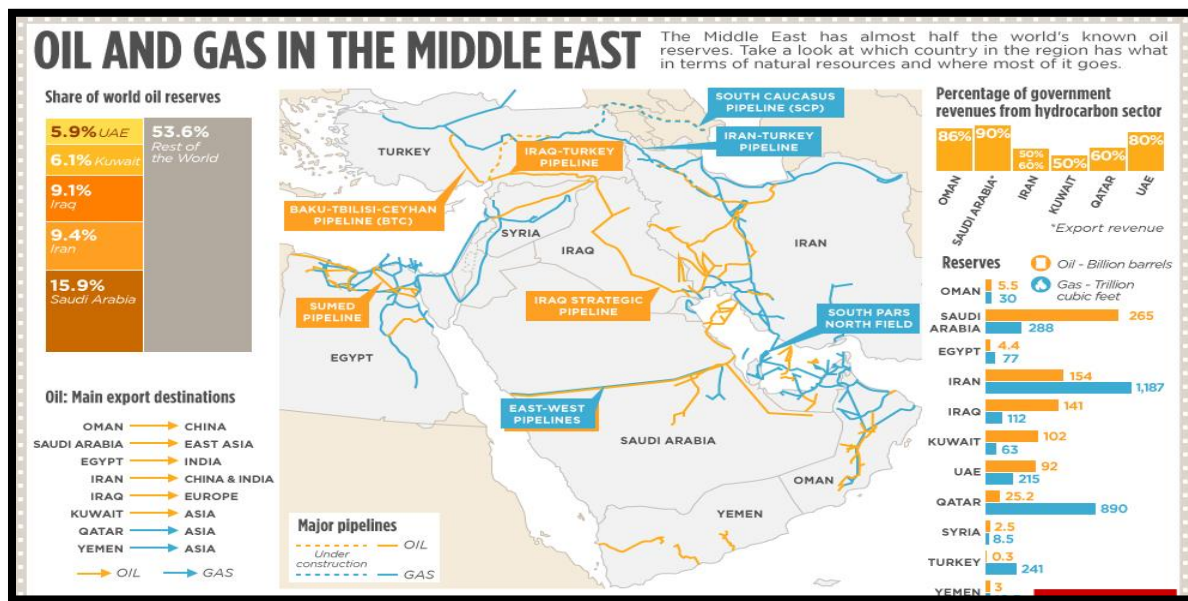
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The Riyadh–Tehran rivalry for regional hegemony has far reaching implications for the overall peace and security in the Middle East region rather the whole Muslim world. The growing Sectarian violence in countries like; Afghanistan, Iraq, Lebanon, Pakistan, Syria and Yemen has allegedly been associated with the Saudi-Iran rivalry (Ali, Askari & Khan, 2023). Though, Tehran and Riyadh have been apparently demonstrating that their antagonism has dogmatic roots, but geo-political and geo-strategic impulses are stringently associated with this decade's long rivalry. Both the states capitalize the ideological rifts as tool of their temptation to prompt the public and their administrations for the favour and fervor. Any serious conflict between Saudi Arabia and Iran, directly or indirectly induced, will certainly ripen implausible aftermaths for the regional peace and the overall global political system. The Saudi-Iran unending pursuit for power and ultimately the regional hegemony even at the disbursement of various other smaller states has shocking bearings for the regional and international political environment. Due to the internal vulnerabilities in the region, the Saudi-Iran ideological and politico-strategic hostility has bud out, terrorism, extremism and radicalism in the region and beyond. Almost all the internationally declared terrorist organizations have been operating in the Middle East region. On the other hand, the world great powers also seek/find plea for intervention in the internal and regional political affairs that has occasionally further intensified the regional political dynamics.



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**Figure No 2: The Oil and Gas Resources in the Middle East**



Source: US Energy Information Administration (EIA) OPEC Statistical Review 2013

## Literature Review

Review of the literature is a vital component of any research project for it edifies scholars about the prevailing stocks of knowledge on the subject. It also instills innovative notions in young researchers. Most importantly review of the literature helps the scholars to discover research gaps for their projects. Following is a brief account appraisal of the literature on the subject: “China’s Growing Soft Power in the Middle East: The Shifting Saudi-Iran Rivalry to Rapprochement.”

Duarte (2023) enlightens about the idea of China as a rising global player and its objectives related to the mega initiatives of BRI along with its geopolitical, geo-



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economics and geostrategic goals in the region and beyond. Many scholars consider it to be the most comprehensive transnational initiative, like Marshall Plan, including trade, connectivity, access to global energy resources with consent, soft power, first-hand networks of agents, new perspectives on multilateralism, innovative financial mechanisms, new spatial development initiatives, and innovative debates about the future of the international political structure. The project has been dubbed "unique" in human history, for its equal opportunities for the smaller and bigger players and relishing the phenomena of win-win for all. The author deliberates how crucial local agency is to the Belt and Road Initiative's as pathways of globalization. He argues that the BRI is a drive of Sinicization or Sinonization as against the globalization. It can be said that both Sinonization and China-led globalization are forces of the future because the people on the ground always have the power to negotiate the specifics of the BRI that they want to be involved in. the Chinese-led globalization is still developing slowly and not to its full potential.

Houghton (2022) points out that since last three decades China has developed stronger ties with Middle Eastern states, as key international player of investment and infrastructure-builder, and an energy-importing leviathan. The Chinese Belt and Road Initiative (BRI) as a mega-project, aims to enhance trade connectivity across Asia and has turned out as a vital venture in China-Middle East geostrategic dynamics. On the other hand, the Saudi-Iranian rivalry has intensified political turmoil in the region. China aims to develop deeper ties with Tehran and Riyadh, the regional rival states. The Chinese government has signed numerous agreements with Iran and scholars of international politics are examining the impacts of these agreements upon the Chinese growing ambitions in the region. The author has exclusively discussed the Chinese long term

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objectives in the Gulf and its relations with both the regional powers of Middle East.

Khaleel (2023) demonstrates that states act within the framework of the policies they adopt to ensure that the resources available to them are used to best advance their national interests. States in the international community act within the framework of the policies they adopt to confront the circumstances and affairs that occur outside their borders in order to achieve their interests. International politics encompasses all the actions of states outside of their borders, so it makes sense that the most powerful and significant states have a greater influence on international politics and order. At a time when the world is experiencing multiple crises that have affected the course of international politics in general and options Iranian foreign policy in particular, it focuses on the regional environment in order to achieve its interests. After strengthening its negotiating position and expanding its negotiating options on the international scene as a result of winning the regional environment in its favor, this range will then expand to its international environment. However, the Kingdom of Saudi Arabia has acknowledged the risks associated with the current international and regional conditions, which has made it simpler for the Iranian side to get back in touch and establish diplomatic channels of cooperation in order to address these conditions and crises and advance the interests of both nations.

Fulton (2020) elaborated on the significance of Saudi Arabia's strategic location and its regional power status in the Middle East. It emphasizes the importance of Saudi Arabia as a partner for China's Belt and Road Initiative (BRI), as evidenced by China becoming Saudi Arabia's largest trading partner. However, due to the United States' dominant position in the Persian Gulf region, the China-Saudi

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Arabia relationship needs to be carefully managed to avoid direct challenges to Washington. The article argues that China has adopted a strategic hedging approach in its relations with Saudi Arabia, prioritizing economic and developmental goals related to the BRI and Saudi Vision 2030. This approach allows China to avoid antagonizing the United States while leveraging US regional security commitments.

### **Research Methodology**

A qualitative research approach has been applied in this research with exploratory research design. For data collection, the research has heavily relied on secondary sources, including books, scholarly journals, research articles, newspapers, and government reports. This study aims to certify that the findings are dependable to enhance the understanding of its readers. The Primary data for the study has been gathered from official document and speeches by the heads of governments; whereas the secondary data, has been collected from diverse institutions, foreign offices, universities, and public libraries.

### **The Changing Dynamics of Middle East Politics**

In recent decades, the landscape of international relations has undergone a rapid and significant transformation, where new realignments emerge. With China's rapid rise, the geopolitical mosaic has altered significantly, where the Middle East has occupied the central stage due to its enormous resources, vast economic potential, traditional rivalries, and complex tapestry of nations. With its soft power projection, China has emerged as a crucial player in this evolving geostrategic paradigm, impacting the unthinkable phenomena like; the

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rapprochement between the two historic arch-rivals, the Kingdom of Saudi Arabia and Iran.

The Middle East predominantly rests on two power centers based on seemingly opposite religious ideologies: conservative Sunni and traditional Shiite. Besides the Sunni-Shia schism, in addition to many other factors like a contest for power, expansion of influence in the region, and the staggering peace between the two regional power giants have bifurcated the region into two conflicting blocs (Sergie, 2023). This rivalry has exhibited itself on multiple occasions in diverse conflicting situations and environment settings, from proxy wars in neighboring countries to diplomatic meltdowns.

The fundamental shift in recent Middle Eastern diplomatic transformation is due to a deal brokered by China whose soft power projection has been efficacious in convincing, influencing, and molding both rivals' conduct and policies (Wintor, 2023). China's ascendance to the global power stature, economic dexterity, diplomatic finesse, and growing power potential have afforded Beijing a unique tool kit to redraft the regional dynamics of politics and influence. Instead of populating diversions, conflicts, and sleeping rivalries, China, through its immense use of soft power, has ordained the path of mutual benefit, reconciliation, and mutual respect. The current Chinese involvement in the Middle East can be seen to secure its future strategic goals and to replace the US from the leadership role of the neo-liberal world order.

This research work appropriately endeavors to trace the root causes of the historic rivalry between Saudi Arabia and Iran and the rhetoric that contributed to the decade's long contention. In addition, it will zoom into the subject of the

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exponential increase in China's soft power influence in the Middle East and the way it has impacted the geostrategic landscape of the Middle Eastern region. The study will follow the theoretical framework of Soft Power Theory and Regional Security Complex Theory to fathom shifting rivalry into rapprochement between two traditional power seeking rivals and the mediating role of a rising great power on the world stage.

### **The Real Genesis of Saudi-Iran Rivalry**

The Middle East has traditionally been the locus of the global geo-economic and geopolitical landscape, especially due to its geostrategic location as a lynchpin connecting East, West, and Africa. The region became preeminent when vast energy sources were found in and around the region, bringing it to the center of global powers' attention and making it a perpetual field of power competition. Owing to its undeniable significance for the hungry world, the Middle East is often marred by inter and intra-regional tensions and rivalries. Out of all these intricate webs of geopolitical tensions, the rivalry between the two regional power centers, Saudi Arabia and Iran, is due to differing religious ideologies, political philosophies, and strategic alignments.

Prior to the radicalization of the political thought process of both sides until 1979, particularly towards the Middle of the 20th century, both countries were considered "twin pillars" of regional security and stability (Brannon, 1994). They were referred to as such owing to their strategic significance in the Middle East and their collaboration and cooperation with the United States. They both were considered the key allies of the US, particularly during the Cold War era. Though Saudi Arabia and Iran had cordial relations during this period, despite differing

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interpretations of Islam, under the influence of the US dictations, the relationship still had a few strains, which magnified the 1980s, when both sides witnessed the application of more conservative religious rhetoric. This mega transformation of relations between the two led both sides to aggressively pursue the expansion of their ideological franchises in the region.

### **Contextualization of the KSA-Iran Proxies**

From 1980 onward, the tensions between the two Middle Eastern giants, the Kingdom of Saudi Arabia (KSA) and the Islamic Republic of Iran. The geostrategic environment of the region can be termed as volatile, tense, and extremely unpredictable, where the smaller neighboring countries were used as the instruments of proxies. The Iran-Iraq War (1980-88), the Iraq's invasion of Kuwait (1990), Operation Desert Shield (for the defense of Saudi Arabia by allies in 1990), Operation Desert Storm (offensive operation against Iraq by allies in 1991), Operation Iraqi Freedom (invasion of Iraq by allied forces in 2003), Arab Spring (2010-12), diplomatic meltdown between Saudi-Iran (2016), and war in Yemen. These are a few important highlights of this period, exhibiting extreme KSA-Iran rivalry and underpinnings of proxies. Let us examine these important historical landmarks briefly to gauge the tangent Saudi-Iran interests and relations using other regional conflicts as their proxies:

**Iraq:** During the Iran-Iraq war (1980-88), the rivalry became visible as a sharp conflict between the two for the first time. Though Saudi Arabia adopted a stance of being publically neutral, it reportedly supported Iraq against Iran. The Kingdom of Saudi Arabia allegedly provided economic support to the Iraq in its war against Iran. However, when Iraq invaded Kuwait in 1990, Saudi Arabia

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offered all-out support to Kuwait, while Iran favored the opposite side-Iraq. In the same way, when the USA conducted Operation Iraqi Freedom invading Iraq in 2003, Iran supported Saddam Hussain, while Saudi Arabia was on the Western coalition's side.

**Lebanon:** All along, since the 1980s, Iran openly supported Hezbollah in Lebanon, while Saudi Arabia had been supporting the government and sitting regimes. The nature and scope of the Iranian assistance to Hezbollah is opaque and thus cannot be quantified (Sadjadpour & Taleblu, 2015). Nonetheless, the USA has been explicit in declaring Iran as a terrorism-sponsoring state in different regional countries, including Lebanon (US Department of State, 2015).

**Afghanistan:** During the Soviet invasion of Afghanistan in 1979, Iran was itself pitched in the Iran-Iraq war (from 1980-88) but still played its role in the conflict. Though KSA and Iran both appear to be on the same side – against the Soviet invasion, in reality, they supported opposite factions for their relevance in the postwar scenario. Iran supported Shiite Afghan militia like Hezb-e-Wahdat, while Saudi Arabia supported the Sunni mujahedeen faction – Ittihad-e-Islami (Sifton, 2005). Later in 2001, as a backdrop of 9/11, during the US invasion of Afghanistan as part of coalition operation Enduring Freedom, though Iran initially felt contended with the regime change in Afghanistan, but later against the American presence in the region, resorted to funding the Taliban (Masood, 2016), while KSA lend its support in reconstruction to the American installed central government (Alibabalu, 2021).

**Yemen:** The conflict in Yemen is an overt manifestation of a proxy war between the two arch-rivals and power centers of the Middle East. Prior to the



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recent conflict in Yemen, unfolding since 2011, in the North Yemen Civil War from 1962-70, both KSA and Iran supported the Mutawakkilite Kingdom of Yemen against Egyptian-backed republicans. This broader Western game plan was to forestall President Jamal's pan-nationalism. Both KSA and Iran during this period of the Cold War were part of the US bloc, while Egypt inclined towards the Soviet Union (Sandler, 2002). However, later, in the North and South Yemen border conflicts from 1972-79, the South Yemen Civil War of 1986, and the Civil War in Unified Yemen of 1994, no significant trace of KSA or Iran can support either faction in Yemen. Things changed in Yemen Insurgency from 2004-10, when Shia-origin Houthis were involved in border skirmishes with Saudi Arabia, while Iran was blamed for covertly supporting the Insurgents against the government. This support became more explicit post-Arab Spring in 2011. During the Arab Spring wave in Yemen, from 2011 through 2022, the country remained in a perpetual cycle of conflict, where Houthis are believed to be supported by Iran, while KSA backed the governments in power. The relationship between Houthis and Iran grew stronger after insurgents took control over Sanaa, where Western intelligence agencies believed that Iran rendered military support, including missiles (Baron, 2014).

**Bahrain:** Bahrain, owing to its geostrategic location and around 49% of the Shia population (Joyce, 2012), while few sources believed it to be higher-around 62% (Pollock, 2017), offers itself as a critical proxy between the two. This contestation became more visible in the Arab Spring in 2011, where Iran was accused of supporting the Shia population against the Sunni Royal family, while GCC, led by Saudi Arabia, was believed to be siding with the government. Both sides, for their vested interests of extending their areas of influence and dominance in the Middle East, used Bahrain as a proxy, where GCC overtly

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entered its forces by entering Manama in support of the ruling family of Al-Khalifa (Mabon, 2017).

**Syria:** Both the arch-rivals, besides using other regional countries as their proxies, Syria was no exception. In this battleground, Iran backed President Bashar Al-Assad's regime, while on the opposite, KSA had been supporting the anti-government protestor groups. KSA and Iran have been affording all kinds of support, including military aid, to favor their factions in pursuance of their strategic interests. The efforts to pacify the situation are believed to be fruitful only if the power giants in the Middle East make compromises and retract from their stances (Gerges, 2013).

### **Sectarian Backgrounds of the KSA-Iran Rivalry**

Since the onset of the Iranian Revolution in 1979 and the arrival of a highly conservative and fundamentalist regime in Tehran, the silent tensions between Saudi Arabia and Iran can be viewed as a sectarian rivalry. In order to pursue their theocracies, both sides extended their franchises, clubbing in the regional countries based on Shia and Sunni schools of thought. Though the actual root causes were far beyond the sectarian issues, the political construct was always woven into the sectarian split. The West favored the same, making the divide easier to comprehend and handle the challenges of this complex region. The simmering conflict remained below the threshold of a direct conflict between the two regional powers while using indirect strategies of waging wars through their proxies.

## **Political Roots Dynamics of the KSA-Iran Rivalry**

KSA and Iran represent differing political ideologies, where Saudi Arabia, a hailing monarch, Iran opted for the Islamic Republic model in 1979, with ultimate decision power resting with the religious figurehead of the state. Juxtaposed, both giants of the region with powers to influence the behaviors of neighboring countries using their oil diplomacy worked for the leadership in the Muslim world and the region. With vested interests and investments, the region was split into two clear camps: a pro-Saudi camp and a relatively smaller pro-Iranian camp. Most Arab GCC states, including UAE, Bahrain, Kuwait, Jordan, and Egypt, are in the Saudi camp. At the same time, one can find the inclination of present regimes towards Iran in other countries like Lebanon, Syria, and Iraq, while Qatar and Yemen appear to be split.

## **Economic Roots**

Besides political dominance in the region and the Muslim world, the key driver of rivalry is the economy, where oil is used to exert one's influence. In this context, both states are vying for global market domination through price control and their role in impacting the global energy supply chain. The economic competition also has internal dynamics, where the maximum Saudi oil is in the Eastern province, which is Shia-dominated, and on the other side, Iran's major oil-producing area of Khuzestan is a predominantly Sunni region. This casts fears of minorities' persecution owing to internal fears of unrest fueled by opposite sides, making sectarianism a flash point.

The foremost national interest of China in the Middle East always lies in its secured energy supplies. Since Beijing is profoundly dependent on the energy

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imports and certainly the Middle Eastern states are its inevitable and indispensable partners. In the year 2022, more than half of China's crude oil was imported from the Middle East. According to the US Energy Information Administration (USEIA), the Chinese crude oil imports hit a record high of 11.3 million barrels per day in 2023, mounting by around 10 percent as compared to the previous year (Sun, 2024, December 19). Hence, currently the Middle Eastern states occupy top positions in China's energy import portfolio. The Chinese overall exports to the region reached nearly US\$ 229 billion in 2022, whereas its imports from the region exceeded US\$ 278 billion with the top commodity of China's exports to the region remained machinery and parts (Sun, 2024, December 19).

### **Adversarial History's Tip-Off: Diplomatic Meltdown of 2016**

Both sides always used the rhetoric of US versus THEM based on sectarian split as a political construct. The adversarial history of the two arch-rivals has climaxed since the onset of the Arab Spring in 2011. Saudi Arabia blamed Iran for inciting agitation and protests against the royal family of Bahrain. It happened the opposite way in Syria, where KSA supported the rebel group while Iran was backing Bashar al-Assad. This was followed by the war in Yemen in 2015, the Mecca stampede of 2015, where out of 2000 pilgrims' deaths, 400 were Iranian. The final tip-off, resulting in a diplomatic cutoff between the two, took place when Saudi Arabia executed fifty Shiites, including Shia cleric Nimr-ul-Nimr. Saudi Arabia considered Iran's hand behind Nimr's demand for a free election in the country. Enraged by the anger, protestors in Iran set the Saudi consulate in Mashhad and then in Tehran on fire. Both sides stopped all diplomatic engagements and refused to talk to each other, conduct trade, and even play sports

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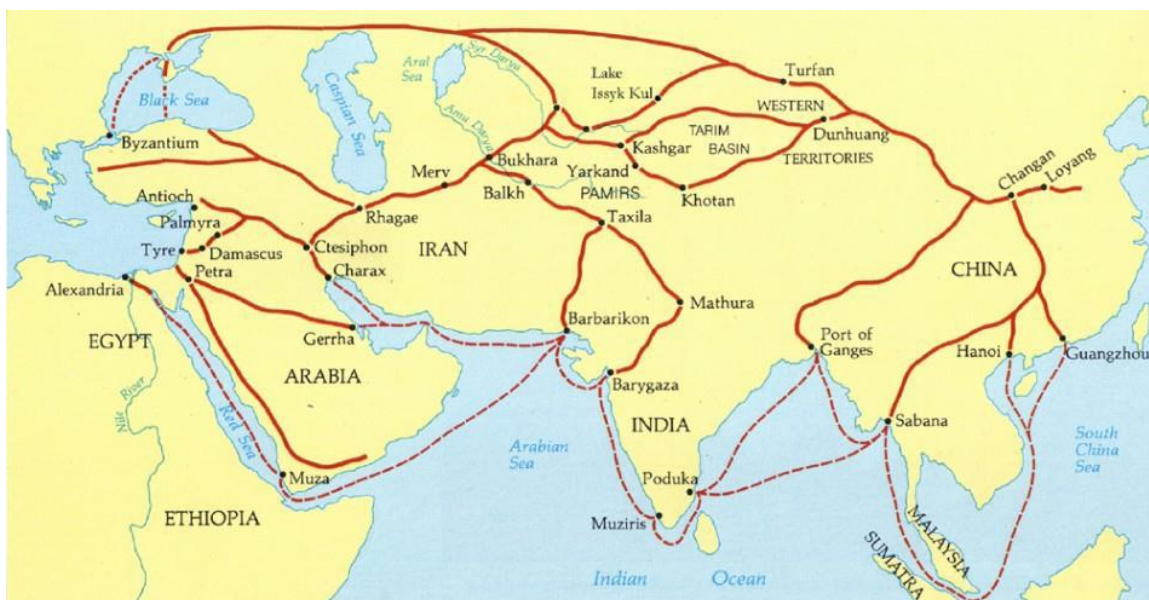
against each other. Closing diplomatic relations and cutting off all ties in 2016 was followed by a series of significant events, bringing the clash to the point of no return in 2020. The timeline of the important events is as follows:

- 2017: Qatar blockade by KSA and its allies for allegedly supporting Iran.
- 2017: Lebanese Prime Minister Saad Hariri's resignation, citing Iran as the main driver for disrupting the political process in his country.
- 2017: KSA blaming Iran for providing missiles to Houties intercepted over Riyadh.
- 2018: Saudi Arabia hailing Trump's unilateral decision to pull out of Iran's nuclear deal.
- 2019: KSA blamed Iran for a missile attack on the Saudi oil industry and an attack on oil tankers in the Persian Gulf.
- 2020: Saudi Arabia's celebrations over the death of Iranian General Qassem Soleimani in a drone attack in Iran.

### **Glimpses of Chinese Growing Influence in the Middle East**

The roots of China and Middle Eastern ties can be traced back in centuries. The Chinese ancient trade through Silk Road with the Middle East was unmatched in the diversity of territories, rulers, regimes, languages, and religions through which it moved its merchandise. On the other hand, the Sea routes were also developed as land routes became more treacherous or dangerous, expensive, erratic and as the navigation tools started helping to reduce navigation risks.

**Figure 3: Routes on the Silk Road (7-17th centuries)**



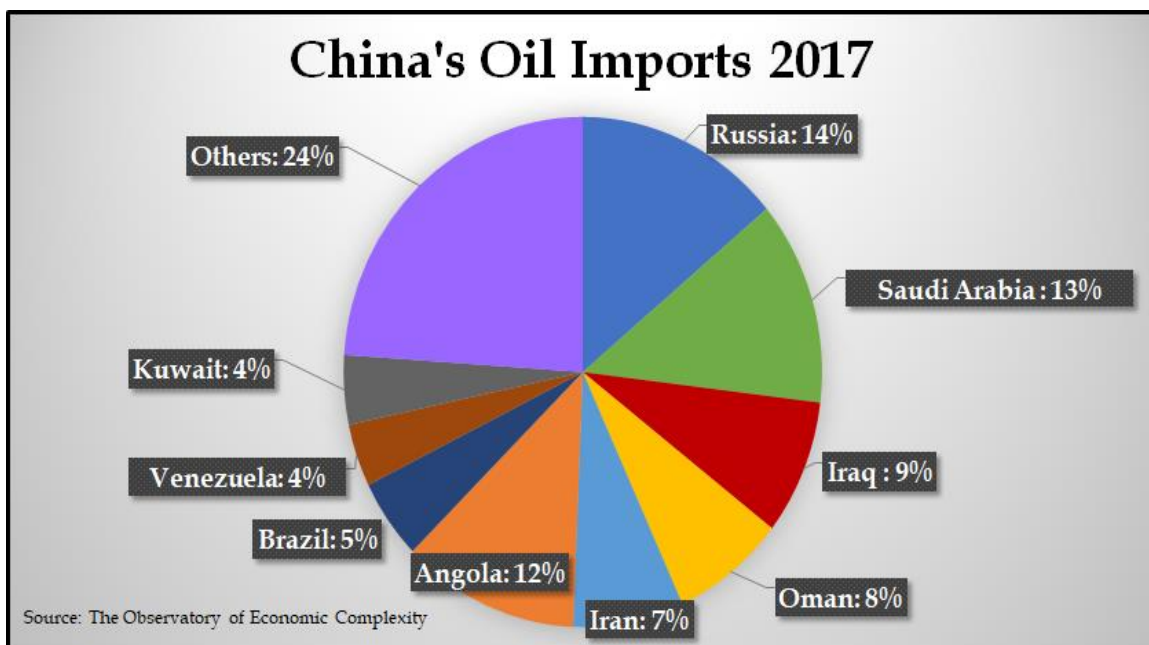
[http://traumwerk.stanford.edu/philolog/2011/08/byzantine\\_silk\\_smuggling\\_and\\_e.html](http://traumwerk.stanford.edu/philolog/2011/08/byzantine_silk_smuggling_and_e.html)

The Chinese trade and investment in the Middle East has witnessed a remarkable rise in the past two decades. Currently China is one of the largest trading partner of several Middle Eastern states including Iran, Saudi Arabia and the United Arab Emirates. These trade and investment initiatives are diversifying into the energy, real estate, roads and infrastructure sectors. However, the energy sector leads the others and this is very much logical because the Chinese energy requirements are directly proportional to its growth and retrieval of economy.

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As regard to the Arab states, the overall volume of Chinese investments increased from around 37 billion dollars in 2004 to more than 244 billion dollars in 2018, an increase of 600 percent. The KSA and the UAE topped the Arab countries in their mutual trade with China by 46 percent of the total Arab countries in 2017. China's imports from Arab countries, in 2018 amounted to around USD 140 billion, of which oil constituted the largest share, while its exports to the Arab world were almost USD 105 billion (Al-Ain, 2019).

**Figure 4: China's Oil Imports in 2017**



### Road to Rapprochement: Prelude to Recent Normalization Efforts



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The KSA and Iran are the most powerful states in the Persian Gulf region but they have a long history of conflict, dating back to the 19th century yet periods of cooperation have been present in their ties, especially during Shah Faisal and Shah of Iran eras. The current ties between the two states are complex but due to the Chinese influence upon both the states these ties are equally progressive. The KSA-Iran rapprochement can benefit not only these two but also other states in the region.

Before the agreement between the two rivals in the Persian Gulf, mediated by Chinese Premier Xi Jinping in 2023, KSA and Iran had several rounds of talks, mostly orchestrated by Iraq and Oman from 2021-22. Soon after Xi visited Saudi Arabia on December 7, 2022, the ice started melting, and finally, both sides decided to rehabilitate the ties in March 2023, after the Iranian President's official visit to China in February 2023. The six-day negotiations in China paved the way for the rapprochement.

### **Reasons for Recent Rapprochement**

The recent rapprochement between the two reflects their states' desires to end the over stretched tug of war; surely, China played the role of elder brother to mediate the whole process. Following can be the significant factors contributing towards normalization of the relations and then projecting an aura of reconciliation and cooperation:

- The US exited after being humbled in Afghanistan and losing its relevance as a singular hegemon and sole superpower, dictating Saudi Arabia to align its foreign policy in line with the US policy.

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- The petrodollar is losing its relevance, and China is playing its role in convincing many countries of the world, including Saudi Arabia, to execute a trade in their national currencies.
- Difference between the US and China in handling Asia and the Middle East: As opposed to the US's economy, which vastly depends on its military-industrial complex, which flourishes in scenarios of conflicts and tensions, China's economy largely rests on its production of consumers' products. These economic interests shape states' geostrategic interests and, thus, their foreign policy options. Unlike the USA, China, maximizing the potential of its soft power initiative, has played the role of bridging the interstate divides, including the one between KSA and Iran.
- China, through its cautious but well-articulated diplomatic maneuvering, is winning the states that were invaded, isolated, or coerced in the past by the USA, like Iran, Afghanistan, Iraq, Syria, and Lebanon.
- Iran and Saudi Arabia can anticipate that the prevailing world order led by the US is under acute duress and already challenged by China as an emerging new global power. This realization has forced the states to recalibrate their affiliations for future realignments. China mediating the rapprochement between the two affords a promising future for both.
- After a long-drawn rivalry with multiple stand-offs in the past, now both Iran and Saudi Arabia are convinced that anything is better for them than a conflict or a war. The continuing sanctions on Iran, the cost of economic suffocation, and Saudi Arabia's realization of futile military efforts in pursuance of the Western agenda of countering Iran proved pivotal in a change in mindset

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and reflections. In addition, Muhammad Bin Salman's 2030 vision, demanding extended finances, forbids Saudi Arabia from articulating its defense spending cautiously.

- Both states, in their past efforts to ditch others to chase their dream of becoming the forerunner of Muslim Ummah as well as a champion of the Middle East, have finally grasped the reality that none can win unilaterally. The conscious insight has seeped in that they can jointly share the position and its perks.
- The semiconductor war between the USA and China has also impacted the geopolitical landscape, especially the realignment of the alliances of regional and global powers. This invisible economic war between the global giants has indirectly influenced Saudi Arabia and Iran to redesign their future paths to get assured access to technologically indispensable semiconductors.
- Besides efforts by China, Riyadh also felt pressure to opt for a reconciliatory tone when Kuwait and UAE sent their ambassadors back to Iran months ago for these talks.

### **Iran- Saudi Deal- A Step towards Complete Normalization**

The de-escalation process was initiated towards the end of 2022 and scaled up in 2023 under the patronage of China, laying the foundation for a serious dialogue for mutual benefit. The initial deal brokered between the two included; resuscitation of the diplomatic missions, resumption of official visits and dialogues, facilitation in public visas and visits, and recommencement of flights (AlJazeera, 2023).

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## **Impact of the Rapprochement on the Middle East**

More than any other reason, the recent rapprochement and warming of the ties between the two is more about economics than anything else. Forgetting their turbulent past, ignoring their old rhetoric and forging their proxies, they are finally ready to join hands. Where this dynamic shift will benefit both parties, it will have a significant bearing on the future geopolitical trajectory of the whole region of the Middle East. Nonetheless, where it opens doors for potential opportunities for all sides, the efficacy will largely depend upon the continued serious resolve to stay engaged in sustained cooperation. Let us see the impacts in different dimensions:

The rapprochement will de-escalate the already highly politically charged atmosphere between GCC and Iran, thus redirecting the political energy towards constructive avenues. This can also pave the way for serious security dialogue based on the premise of a regional security complex.

It has made an effort to bridge the most important cleavage in the region, which in the past drove Arab states towards Israel against Iran. The rapprochement has sent shock waves to the West with special reference to Israel, who would fear losing their chance of Iran's isolation. With Saudi edging closer to Iran, it would direct other states to realign their diplomatic stance, which may be a complete or partial departure from the Indo-Abraham Accord. This can prove to be extremely detrimental to the US's interests in the region as well as a worrying phenomenon for Israel.

The way the US and Israel look at Iran in the Middle East is no longer at play. Israel would be the main loser, with Arabs uniting and Arab-Iran rapprochement.

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The world is slipping away from the hands of the USA and its allies like Israel. A big blow to Israel's foreign policy. They are losing their closest ally, KSA, in the Gulf against their arch-rival Iran. This is also the biggest loss to US foreign policy.

The space ceded by the US in Asia, especially in ME, has been occupied by China immediately. It is believed that the closest US allies in the Gulf, KSA, and UAE, are not moving into an orbit of nonalignment and proximity to China. KSA and its closer allies were slowly drifting away from the West, finally reconciling that they could no longer rely on the West as a partner.

If this rapprochement succeeds, the first important impact would be seen in Yemen, where both sides will have to negotiate to settle the issue instead of harboring their interests. The same drive is expected to expand toward the pacification agenda to Syria, Iraq, and Lebanon.

The Palestine issue, which in Trump's time was considered dead, and they just had to focus on Iran, is live and heated up again. The reconciliatory environment between Saudi Arabia and Iran, in the background of the recent fiasco in Palestine, has cast multiple serious concerns for the Israel and Western coalition led by America. These include:

- Firstly, it has rekindled the Palestinian cause, which was forgiven and forgotten for a long.
- Secondly, it brought two arch-rivals closer, where KSA, with all its historical ties with the USA and Israel, cannot let go of the opportunity to

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seize the occasion of being declared as the champion in the region and true flag bearer of the Ummah.

- Thirdly, it has seriously dented the progress made on the Indo-Abraham Accord, where realignments are expected to germinate again.
- Finally, it offered impetus and support to the Palestinian cause in all dimensions.

### **Decoding Dragon's Path: 3Ps- Purpose, Power and Prospects**

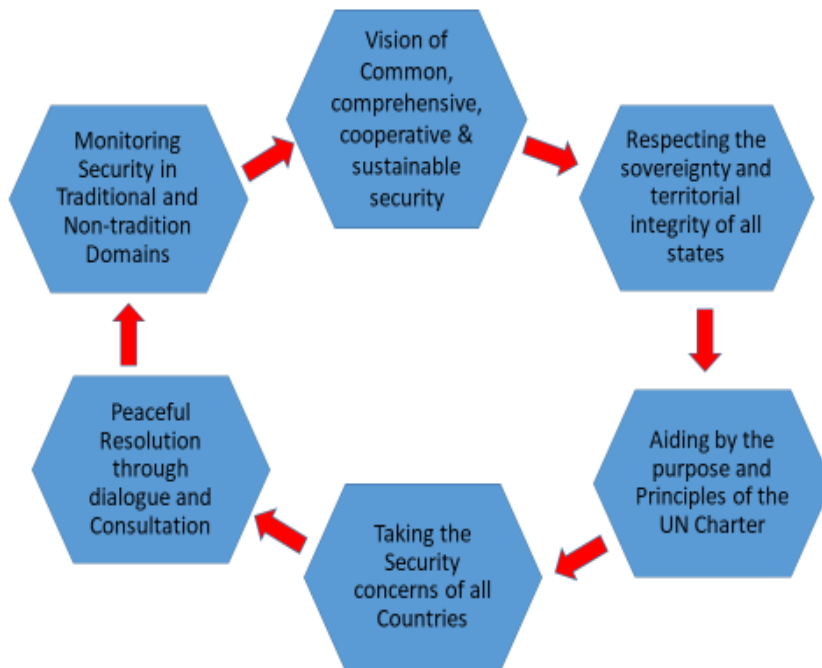
China, exploiting soft and smart power's potential in pursuance of its geostrategic and geo-economics interests across the globe, appears to be distancing itself from the conflicts, still exercising its role and exerting its power in various regions. The reflection of the same are covered in ensuing paragraphs which are equally applicable as we all as visible in its handling of the Middle East.

### **China's Global Security Initiative (GSI)**

In this regard, China's master plan for the Global Security Initiative (GSI) primarily revolves around the six of China's commitments to the world (Ministry of Foreign Affairs of PRC, 2023). These have been graphically represented in Figure below, produced by the author based on the MFA Concept Paper cited above:

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## Global Security Initiative (GSI) based on six of China's commitments to the world



Under the emblem of overall broad GSI's strategic framework, China proposed its security architecture for the Persian Gulf, homing on GCC countries. Xi, at the China-Gulf Cooperation Council Summit in December 2022, while highlighting the cardinals of the framework, reinforced China's resolve to assist GCC countries to address their security concerns through dialogue (Chaziza, 2023). This visit has since been taken as a critical shift in the stance of the Arab states of the Gulf.



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## **Implications of the China-brokered rapprochement between Saudi Arabia and Iran**

It is expected that the rapprochement would come up with major geopolitical, economic, and strategic implications, not only in the region but also world over. It may strengthen the prospects of regional stability in the Middle East by de-escalation of tensions amid various actors especially the KSA and Iran. The two have not only been rivals but also mostly backing opposing sides like; Yemen, Syria, Lebanon and few others in regional conflicts. A détente between Riyadh and Tehran could reduce proxy wars and sectarian violence in the Middle East and the overall Muslim world. This rapprochement may also help in improved security in the region, especially in critical geostrategic chokepoints like the Strait of Hormuz and the Gulf of Aden, reducing the risk of shipping disruptions.

The KSA-Iran rapprochement will certainly increase the oil market stability as the two countries are major oil producers and their improved relations could lead to a more harmonized energy policy in the OPEC and world over. Eventually, some joint investments initiatives may also be introduced in the energy infrastructure like; oil and gas pipelines, or renewables if trust develops over time in the coming decades.

The rapprochement may also help in increasing the China's role as an international diplomatic power. By efficaciously mediating between two historic ideological rivals shall certainly elevate the Chinese credibility as a peacemaker in global politics, thereby certifying its soft power potential and also challenging the US's traditional role in the Middle East politics. Eventually, these developments will pave the path for a stronger strategic leverage for Beijing.

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Since, a more peaceful Persian Gulf can result into better circumstances for China's Belt and Road Initiative (BRI). Ultimately, there could a relative decline of the US decades-long influence in the Middle East region. As the US has long been acting as the major global powerbroker in the region and the Chinese assisted deal may signal a significant shift in geopolitical alignment.

The Saudi-Iran peace deal can also help in reducing the sectarian rifts among the Muslim states and fortifying the intra-Muslim unity at large. The long standing Sunni-Shia tensions across the Muslim world may be plummeted, potentially easing ideological conflicts. This development may also positively impact the communal violence in countries like; Yemen, Syria, Iraq, Bahrain, Lebanon, and even Pakistan, where sectarianism remained a major challenge to the national peace and security.

### **China's Strategy to Outsmart its Competitors**

Instead of engaging itself in a direct conflictual showdown, China opted for the indirect strategy of hurting its competitors in the global arena by hurting their lifeline, as in the case of the USA. Their military-industrial complex can prosper in the events of permanent chaos, tensions, and conflicts across the globe. China's economy, on the contrary, is more into consumer goods, which can only be in demand without conflict. On the one hand, China has been gradually increasing its defense budget for the last eight consecutive years to be actively assertive in showcasing its hard power. It has been raised by 7.2 % in 2023 (Xinhua, 2023). On the other hand, besides significantly enhancing its diplomatic budget to all times high of 12.2 % in 2023 (Gan, 2023), China has unleashed its diplomatic offensive. One such momentous initiative is to support "Silencing the Guns" in

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African regions (Yuxi, 2023). China's diplomatic maneuver aims to spearhead a reconciliatory campaign among the war-torn countries to sit, negotiate, and settle their longstanding issues. In turn, it will neutralize their demand for more military hardware. When successful, such drives will hurt the US and Western interests in two ways: firstly, reducing the dependence of African Countries on Western weapons. Secondly, due to pacifications and normalization of interstate relations, these countries would be indebted to China and thus become closer to it, leaving the Western camp.

## Conclusion

The long standing rivalry between Iran and Saudi Arabia continued to seriously intrude upon the region's balance of power dynamics and security calculus for decades, where both states used other regional countries as proxies for their vested interests, still avoiding direct conflict among them. The West exploited this tug of war to leverage their geostrategic dividends, making the divide even more catastrophic. Where everyone believed that these countries had reached a point of no return, China appeared on the scene to reverse the whole process. China's sponsored rapprochement between the two arch rivals reflects its soft power strategy, which has a long-lasting impact on the overall security architecture of the region. These reconciliation efforts by the Chinese authorities in the region will certainly help in restoring lasting peace in the Middle East. For its mounting geostrategic interests in the Persian Gulf in the shape of trade, investment and also its military presence in the Arabian Sea, Beijing would like to see better relations between Riyadh and Tehran. However, the emerging situation in the region, especially after the Hamas-Israel conflict and the resumption of the White House by Donald J Trump the degree of uncertainty and unrest has escalated in the

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region. The Defense expenditure can be diverted to the socioeconomic well being of the common people of the KSA-Iran and many others in the Middle East. Their Mutual Trade can grow by many folds that will help in enhancing the local job market and minimize unemployment in the region.

The ideological, political and economic rifts can be diverted to opportunities of cooperation, mutual trusts and harmony among the states of the region. The proxies in various countries and their obscenities would be eradicated and the people of Yemen, Syria, Iraq, Afghanistan and others would also benefit from this long awaited rapprochement between KSA and Iran. Lasting peace in the region will certainly benefit countries like China, which is anxious for its trade and investment opportunities world over, especially the hydrocarbons rich Middle East region.

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