

**CHINA MOVING BEYOND OIL DIPLOMACY
IN THE MIDDLE EAST?**

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Executive Summary

1. As an emerging global power, China's growing involvement in the highly strategic, energy-rich Middle East has the potential to gain offensive influence, something which would gradually erode traditional US dominance in the region.
2. While the Chinese leadership may not intend to overtly challenge American influence in the Middle East, regional desires and China's growing economic presence may necessitate a revisiting of this policy although any shifts will likely be cautious and non-dramatic.
3. China's new activism in the region consists of engaging those whom the US has sought to isolate and penetrating traditional US allies. This does increase the risk of more frequent diplomatic collisions.
4. China does not possess a crystallized grand strategy which guides its actions in the region. Chinese actions in energy, trade, and diplomacy should be viewed as components of an ambitious but fluid process that does not yet have a clearly articulated end-game.
5. Chinese policy is likely to remain conservative, especially on the diplomatic front, and it is unlikely to seek to chart its own path and confront the American-led regional order in the near to mid term.
6. Beijing's intensive interest in Iran is driven by both broad geostrategic factors and more narrow economic and energy considerations.
7. Although China has joined the US-led international efforts to pressure Iran to reveal the details of its growing nuclear programme, China's stance towards Iran's nuclear activities is by no means entirely in line with that of the West.

8. China remains cautious about Iran's petition to gain full membership in the Shanghai Cooperation Organization though it is not impossible. Iran stands as a potential counterweight to excessive US influence in the Middle East.
9. There is likely a limit to the extent of sustained multidimensional cooperation between China and Iran as the latter seeks to fundamentally alter the diplomatic framework in which issues are handled in the Middle East.
10. Despite its revolutionary history, China is unlikely to break from the US-led international mainstream and pursue its own Israel-Palestine policy.