

China Ties with Iran and Saudi Arabia: A Critical Analysis of Changing Dynamics in Persian Gulf

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The complex ties between China and two important Middle Eastern nations Iran and Saudi Arabia are examined in this article. It looks at what China does similar to and differently from each partner, focusing on the supposed guiding principles of non-interference and economic cooperation. The research highlights Saudi Arabia and Iran's crucial roles in China's Belt and Road Initiative (BRI) by outlining the diplomatic maneuver's, economic agreements, and energy collaborations that Beijing forges with the two nations. Analysis of China's Strategies in Comparison: Maintaining Neutrality in Diverse Interests while Balancing Saudi Arabian and Iranian Geopolitics Aside from the country's political and security issues, the world's rising superpower offers a chance for strategic partnerships, economic growth, and investment. The article examines China's long-term strategic objectives in the area with an emphasis on increased influence and cooperation. The article explores the wider geopolitical ramifications for Middle Eastern stability and international relations of China's strengthening relations with Saudi Arabia and Iran. It emphasizes China's function as a regional stabilizing force and draws attention to the possibility of changes in regional power dynamics and international strategic alignments. China's aspirations to become a global power are becoming more apparent through its interactions with Saudi Arabia and Iran, which will have a big impact on international relations and world stability.

1. Introduction

Beijing's security and strategic advantages in the Middle East are highlighted by its obsession with mediating the reconciliation between Riyadh and Tehran. Beijing is strengthening its use of economic influence and soft power to protect and advance its regional diplomacy goals (Mashwani, 2024). In addition to their bilateral interactions, China's relations with Iran and Saudi Arabia have been greatly influenced by US influence in the Middle East due to the Persian Gulf region's expansion. While religious differences pertaining to Sunni-Shia sectarianism certainly influence Saudi-Iranian ties, these are better seen as a geopolitical competition for regional dominance. Both Saudi Arabia and Iran have Islamic authoritarian regimes. Saudi Arabia positions itself as the guardian of Islamic sacred sites and the leader of Muslims worldwide, but the 1979 Iranian Islamist revolution called into doubt its religious supremacy and established Iran as the real Islamic leader in the eyes of many Muslims. The Iranian revolution was a watershed moment in relations, which worsened dramatically as the revolution was perceived as a danger to Saudi authority as the Muslim leader. Iran's domestic growth was altered by the Islamist revolution, as were its dealings with the US especially its place in the Persian Gulf. The establishment of an anti-US Islamist dictatorship altered US policy regarding Iran, and Iran came to be viewed as an obstacle to regional security and stability. Relations within Iran and Saudi Arabia are tight, and have been referred to as a "New Middle Eastern Cold War," a "Islamic Cold War," and a "Cold War in the Islamic World" throughout the last decade.

China has a long history of defending its economic national interests while maintaining a critical distance from its allies' political problems. But Beijing's level of engagement with these countries has changed along with the geopolitical factors in the Middle East. The battle among Saudi Arabia and Iran was primarily driven by geopolitical factors, but it was also primarily driven by sectarian and other ethnic factors, with the potential to sway other nations to their opposing viewpoints. Saudi Arabia is an important ally of China in the Belt and Road Initiative (BRI), as China is at this time Saudi Arabia's largest tradeoff partner, due to its geostrategic location, regional power status, and ambitious Saudi Vision 2030 growth plan. Iran has been a prominent local player within the Persian Gulf since the early Persian empires. Iran sees China's increasing influence on the Persian Gulf offers a new opportunity to solve its security challenge. Although Iranian leaders are concerned about China-Saudi Arabia military cooperation, they believe China can serve as a fresh counter-balance to the US. To beat its regional competitors, Saudi Arabia as well as the United Arab Emirates, Iran seeks collaboration with China in a pair of areas: it aims to establish itself as China's top primary trading partner towards the region and engage as much as it can with China's energy security. China's participation in the region of the Middle East in its entirety has deepened as its interests have become more entrenched, and this is going to keep due to its greater reliance on Gulf energy. This has a chance to eventually relate China's domestic security, the communist regime's principal goal, to regional events. Although the Chinese government was able to maintain a balanced response to these changes, particularly the rivalry between Iran as well as Saudi Arabia, two of China's most important partners, the increase in this

regional geopolitical conflict has merely complicated China's policy prospects. While Chinese foreign-policy principles aim to maintain the fragile balance, the outcomes of the proxy wars between the Iran and Saudi Arabia will require Beijing to participate in political engagement (Garlick, 2020).

China has always considered the Middle East to be a key location in its foreign strategy. China's primary contacts with the Middle East in antiquity took place along the historic Silk Road. As the Chinese Communist Party has grown in power, this nation's trajectory changed in the modern age. This indicates that China's contacts with the Middle East had an moral character during Mao's administration, with the region's liberation movements serving as the objective expression of this relationship. However, China abandoned the prior strategy and attempted to use trade and the economy to make the Middle East a key region in its foreign policy once reforms began during the Xiaoping era and were carried out by successors.

While China's main objectives in the Middle East are trade and industry, it also has other interests that intersect and interact with its economic objectives in a balancing and conflicting manner (Niu, 2021). These other interests include political, strategic, security, and international ones. Although China lacks the resources, particularly the military ones, to defend its objectives in the Middle East, she does have a variety of resources that are growing rapidly, with economic resources having the most promise. Given the disparity between influence and interests, China ought to adopt a new Middle East policy approach that differs from that of any previous great power.

2 Diplomatic Relations

2.1.1 China-Iran Diplomatic Relations

Building and fortifying ties with the most dominant non-Western economy in the realm has been the driving force behind Iran's relations with China, especially in the midst of severe economic sanctions imposed by the US. The relationship started before to the Islamic Revolution of 1979 and has changed over time as a result of Iran's nuclear-powered program acceleration and the resurgence of the anti-Western narrative (Ali, 2024). The Iranian administration has continued to maintain connections with China, with Mahmoud Ahmadinejad's presidency marking a pivotal moment in the two countries' history.

China has helped Iran get over international restrictions, such as the nuclear cooperation deal from the early 1990s, by supporting Iran in doing so. Nonetheless, during the Ahmadinejad administration, China and Iran's bilateral commerce jumped from \$10 billion to \$43 billion, indicating a cooperative effort to evade sanctions. According to President Ebrahim Raisi, mutual respect and trust are the foundation of "the friendship" between the two nations.

For more than ten years, China has been Iran's most significant trading partner. Prior to the US pulling out of the nuclear agreement in 2018, Tehran had planned to gain more from increased trade and investment by both the Asian superpower and Europe (Azad, 2024). But when President

Donald Trump decided to launch a campaign of maximum pressure on Iran, the game shifted, and European businesses stopped doing business with Iran.

China and Iran are now cooperating in areas like technology exchange, with Beijing's approach of collaboration being more advantageous to Tehran than that of Western nations. Iran has also been pursuing plans to advance its technical and scientific capacities, motivated by the opinions of its most powerful political figures (Chaziza, 2024).

2.2.2 China-Saudi Arabia Diplomatic Relations

The quickly expanding Sino-Saudi relationship, and contends that this kind of growth is representative of the long-term plan Beijing and Riyadh have been putting into practice: "changing the focus while keeping the balance." President Xi Jinping's visit to Saudi Arabia in 2022 serves as evidence that Beijing refocused its attention on the Arab sphere, both politically and economically, from the Mediterranean to the Gulf region, even as it continues to extend cordial ties to all Arab states. On the other side, Saudi Arabia has quickened its step of "looking east" although warily maintaining longstanding connections with the West, even though Saudi's reconciliation with Biden government has been reluctant to produce noticeable results (She, 2024).

China values Saudi Arabia particularly for a number of reasons: First of all, clients have found Saudi Arabia to be a trustworthy partner. Second, kingdom of Saudi Arabia is thought to be the biggest oil exporter. However, it is also the most economically powerful nation in the Arab world and a highly significant OPEC member. Sino-Saudi relations have improved thanks to the BRI launched by China (Kayani, 2018). Even though the construction of structure was already a major aspect in their relationship as evidenced by the substantial role Chinese enterprises played in developing train outlines essential to Islamic sites its significance has increased in the BRI era. Notably, Jazan will serve as a center for Chinese businesses to improve greater connectivity. Jazan, which spans the Red Sea, is essential for boosting ties between African nations and the Gulf as well as for expanding Asian marine connectivity (Salarvand, 2024).

Beijing as well as Riyadh inked a inclusive strategic cooperation in 2016, adhering to the hierarchical structure that Beijing uses in its ties with states throughout the region (Chaziza, 2024). The only other country in the Persian Gulf with this status is Saudi Arabia, along with Iran and the United Arab Emirates. Sino-Saudi ties have recently revolved around the 1 + 2 + 3 framework, with a focus on: (1) energy collaboration; (2) trade and investment, together with infrastructure development; and (3) collaboration in space satellite, nuclear energy, and renewable energy industries (Houghton, 2022).

2.3 Economic Ties

2.3.1 China-Iran Economic Relations

China has made substantial investments in Iran's both downstream plus upstream production systems in adding to purchasing crude oil from the country. One speaker said that the majority of China's large investments are in "upstream development," which is the production and

exploration of crude oil. Since 2005, China and Iran have inked seven significant upstream energy deals that involve China's three largest nationalized energy businesses, China National Petroleum Corporations (CNPC), Sinopec, which and China National Offshore Oil Corporation (Mackenzie, 2010). China's Customs figures show that economic exchanges between this nation and Iran that were roughly \$14.760 billion in 2021 and \$15.795 billion in 2022, indicating a 7% increase. Iran is a youthful nation with a population of over 83 million people and significant consumption potential.

Through the agreement and execution of the Comprehensive Cooperation Plan, China hope that its companies would be able to export more goods and services to Iran and grow their market share there. Iran has to modernize its power plants, internal roads, ports, airports, and other infrastructure ASAP. It also needs to increase the efficiency of its transportation and logistics networks (Gholizadeh, 2024). China's businesses can take advantage of Iran's requirement to modernize its infrastructure and operative effectiveness to expand into relevant markets. In 2019, commerce with China constituted almost 25% of Iran's overall foreign trade. Iran's domestic industry, infrastructure development, and economic development have long been the focus of numerous Chinese firms (Hussain, 2024).

China keeps purchasing energy and oil from Iran despite US sanctions. China continues to purchase Iranian oil through outside companies and unofficial routes in order to lower the transaction risks associated with the sanctions. Refinitiv Oil Research data shows that during the 14-month period from January 2020 to February 2021, China bought 17.8 million tons of Iranian crude oil, or almost 300,000 barrels per day on average (Koolae, 2024). On the one hand, the implementation of the China-Iran Strategic Cooperation Plan will assist Iran in resolving its economic issues and drawing in much-needed foreign capital for its own infrastructures. Iran, meanwhile, is in desperate need foreign investment, technological advances, and increased trading space given the US sanctions and blockade. But the agreement would also allow China to get cheaper, more reliable Iranian oil, which will help the nation's attempts to diversify its energy imports and ensure energy security (Arghavani Pirsalami, 2024).

2.3.1.1 Trade volume and major export/Import

At one point, China saw Iran primarily as a market, and Iran saw China as a factory. However, Beijing's perspective on Iran has changed. Iran is necessary for three key reasons. As a dependable energy source is one. The second is that a de facto coalition is being formed between United States and its partners, especially the Europeans, India, Australia, Japan, and South Korea, with the aim of containing China. Beijing is so looking for new alliances. The third is that, in 2022, China would import 60% of its crude oil from the Arab region, which Tehran has the ability to destabilize. Over the next ten years, China hopes to convert its economic clout in Iran into diplomatic or strategic influence. Iran will move more closer to China, in my opinion. China is going to make more and more investments in Iran. Furthermore, there will be further development

in the relationship on both a strategic and non-strategic level, but this does not imply that China would encircle Iran (Farhadi, 2024).

2.3.1.2 Investments

Economically and commercially, both countries gain. Chinese businesses now wish to make far larger investments in Iran, not just in the energy and oil sectors. Due to increased competition with India and as a countermeasure against the West, they seek a strong presence in both Pakistan and Iran. Military or strategic cooperation is an additional domain. There are increasingly joint military drills involving China, Russia, and Iran. China's ties with the Revolutionary Guards and the regular military are becoming deeper.

2.3.1.3 Impact of sanctions and workarounds

China continues to buy oil and energy supplies from Iran in spite of the US sanctions. Beijing has persisted in trade in Iranian oil through unofficial routes and third parties in order to mitigate the transaction risks associated with the sanctions (Bajoghli, 2024). Executing the Comprehensive Cooperation Plan between China and Iran will, on the one hand, assist Iran in resolving its economic issues and drawing essential foreign investment for its own development of infrastructure. Iran, meanwhile, is in desperate need of foreign investment, technological advances, and additional trading space given the US sanctions and blockade (Janeba, 2024). But the agreement would also allow China to get cheaper, more reliable Iranian oil, which will help the nation's attempts to diversify its energy imports and ensure energy security (Arghavani Pirsalami, 2024).

2.3.2 China-Saudi Arabia Economic Relations

With its ambitious Saudi Vision growth plan 2030, geostrategic location, and status as a regional power in the Middle East, Saudi Arabia is an essential partner for China's (BRI). China has grown to be Saudi Arabia's largest trading partner. The Sino-Saudi Arabian relationship needs to be handled so as to avoid directly challenging Washington, even in spite of their shared interests, given that the US holds a strong position in the Persian Gulf. In order to take advantage of US regional security obligations without upsetting the US, China has adopted a strategic hedging strategy in the development of its relations with Saudi Arabia, concentrating on the economic and developmental objectives of the Belt and Road Initiative (BRI) and Saudi Vision 2030 (Al-Tamimi, 2022).

Saudi Arabia ranked fifth out of the G20 countries in 2016 with a GDP of \$664 billion. Nearly half of the 31.7 million people living in the nation are under the age of 25. China as well as Saudi Arabia have had better diplomatic ties since 1990, and in 2013, China surpassed Saudi Arabia as Saudi Arabia's top trading partner. China demonstrates its dedication to collaboration and development by endorsing Saudi Arabia's 2030 Vision and diversifying its economy (Chen, 2018). Saudi Arabia has been actively advancing, through the (BRI) (Garlick, 2020), its political and commercial ties with China. King Salman of Saudi Arabia formally endorsed (BRI) and

conveyed his readiness to expand collaboration across all domains during President Xi's visit (Fulton, 2020).

According to Saudi Crown Prince Mohammed bin Salman, Saudi Arabia would aggressively support interconnectivity and serve as a vital conduit for Sino-African trade and economic relations. Scholars and economists in Saudi Arabia maintain that entering into contracts with China will strengthen Saudi Arabia's economic standing and advance the 2030 Vision of the nation. During President Xi's visit, the Chinese government acknowledged and endorsed Saudi Arabia's 2030 Vision. Saudi Arabia is a crucial node in the chain connecting China and the Eurasian hinterland and the extensive African market. The 2030 Vision of Saudi Arabia, which aims to lessen its reliance on oil and expand its real estate, tourism, education, and military sectors, is usually supported by Chinese media. Nonetheless, some opponents contend that while the strategy is simple to create, it is challenging to carry out. Experts in Chinese commerce and energy, however, have differing views. While some regard it as a strategic program for Saudi Arabia, others contend it is limited by the country's poor entrepreneurial history, scarcity of human resources, and religious components. Though its execution is still difficult, the Vision is regarded as a major step toward national economic reform and change (Chen, 2018).

The last several years have seen the initiation of mutual collaboration among Beijing and Saudi Arabia in many important areas. Initially, frequent communication between the top leadership of both countries has guaranteed efficient policy coordination. In June 2014, President Xi made a call for mutually beneficial relationships between China and Arab states to advance the "spirit of the Silk Road" during the 6th Conference of Chinese-Arab States Cooperation Forum (CASCF). China published its first Beijing's Arab Policy Paper in 2016, with the goal of enhancing ties in five areas: commerce and investment, social development, political process, exchanges of culture, and security and peace with the Arab world (Gallagher, 2023). During a visit to Saudi Arabia, China and Saudi Arabia committed to deepen their cooperation in the areas of infrastructure, aerospace programs, satellite launches, energy and the peaceful use of nuclear and renewable energy. In March 2017, China committed to supporting Saudi Arabia in achieving its 2030 Vision, forming a cooperative platform on financing and investment, and stepping up cooperation in non-energy industries. Attending the Saudi-China Investment Forum in March 2017, Saudi Arabia signed 21 memorandums of cooperation, encompassing projects in technology and industrial capacity, cultural and comprehensive investment projects, and conventional and renewable energy.

2.4 Energy Cooperation

2.4.1 China-Iran Energy Cooperation

China is now Iran's top oil buyer, surpassing even Japan. China has worked hard to diversify its oil supply, exploring possibilities in Latin America, Africa, Central Asia, and Russia. But Iran, along with Saudi Arabia and Angola, has been China's number three oil supplier for the past seven or eight years, and this trend is probably going to continue for some time to come. China

has invested heavily in Iran's upstream and downstream production processes in addition to purchasing crude oil from the country. One speaker stated that the majority of China's large investments are in "upstream development," which is the production and exploration of crude oil. Since 2005, China and Iran have inked seven significant upstream energy deals that involve China's three largest state-owned energy companies, China National Petroleum Corporations, China National Offshore Oil Corporation, and Sinopec (Zakaria). In reference to investments in downstream development that is, the distribution and refining of products derived from crude oil this participant mentioned that Chinese companies have pledged to construct a refinery in Hormuz and potentially increase the capacity of the current Abadan refinery by approximately 29 percent (Raei, 2024). For Iran, which now imports 40% of its gasoline, these initiatives are extremely important. According to the participant, Chinese and Turkish enterprises have mostly filled the void left by other gasoline sources being blocked by sanctions. A participant brought up the point that not all of the investments made in Iran have paid off. Sinopec and CNPC have undertaken many noteworthy large investments that haven't resulted in much in the way of industrial oil output to date (RANJBAR, 2023). He claimed that in Washington, many people assume that initiatives mentioned by the two nations have already been finished, which causes them to become unduly concerned. On the other hand, a lot of these projects like Sinopec's Yadavaran oil field project can take up to 59 months to complete and frequently fall well behind schedule.

2.4.2 China-Saudi Arabia Energy Cooperation

China plus Saudi Arabia have prolonged their commercial ties over time. Saudi Arabia is China's primary crude oil supplier. From 2007 to 2010, Saudi crude oil export to china increased steadily. China's energy trading agreement with Saudi Arabia reflects the importance China places on supply reliability. Because of the support of both governments, Beijing and Saudi Arabia have strong and beneficial connections (Samargandi, 2024). China as well as Saudi Arabia the fundamental foundation of negotiations is economic interest. Energy-related commerce is the main area of interaction between Saudi Arabia and China. Trade, with a concentration on petroleum-based and crude oil products, is the foundation of Saudi Arabia and China's growing economic ties.

China is concentrating its efforts on Saudi Arabia because the Kingdom sees China as a huge potential energy market. 20% of China's total oil imports come from Saudi Arabia, a substantial amount. In 2002, China became the first nation to import Saudi oil. China overtook the United States in 2012 in terms of oil imports shortly after 2020, according to projections from the International Energy Agency (IEA), and the country took the lead globally approximately 2030, absorbing 15 mb/d by 2035 nearly twice as much as in 2009. Saudi Arabia is trying to expand its oil supply to China by using a "Look East" tack. The Saudi King visit to Beijing was his first since the two nations' diplomatic ties were established in 1990. China along with Saudi Arabia is close neighbors (Musvver, 2016).

Beijing is the world's largest importer of Saudi oil and user of energy overall, with Saudi Arabia being the world's largest oil exporter. It obtained about 16.5% of Saudi Arabia's overall oil production in 2021. The Kingdom supplied 17% of China's total oil imports in the form of 87.57 million barrels of oil in crude form. Xi and his Saudi counterpart had a meeting where the major topic of discussion was energy cooperation. The basis of the partnership between Riyadh and Beijing is energy (Chaziza, 2024). The two nations reiterated their shared goal of working together to maintain stability in the world energy market. In only a single year, China has received twice as much crude oil from the Saudi Arabian Kingdom. Its oil exports to the United States have decreased by over two-thirds over the same time frame. Using satellite imagery and the automatic identifying systems of ships, TankerTrackers.com records oil tankers and exports. In July 2018, Saudi Arabia sold an astounding 1,802,788 barrels per day to China, up from 921,811 bpd in August 2018 (Seifi, 2024). In July of last year, however, exports to the United States were only 262,053 bpd, a decrease of roughly 62% from 687,946 bpd in August. U.S. oil sanctions against Iran have contributed to this change. China and other significant Asian energy importers have been compelled to divert their business from the Islamic Republic, which is the third-largest producer in OPEC, and instead increase their purchases of Saudi barrels to offset the gap. Thanks to its own shale oil boom, which made it the world's greatest oil producer by the end of last year, the United States is more independent than it has ever been. According to industry experts who spoke with CNBC, the data also point to a combination of both short- and long-term Saudi strategies (Turak, 2019).

2.5. Strategic and Security Considerations

2.5.1 China-Iran Strategic and Security Relations

China continues to strengthen its position of dominance within the international system. China is aiming for greater power and transforming international relations due to its economic might. Iran's diplomatic apparatus is interested in the expanding signs of China's superiority in different economic aspects, political clout, and military might. Iran has long been interested in China's de-escalation and balancing policies. China has demonstrated active involvement in the nuclear dispute with Iran Chinese enterprises entered the Iranian gas industry after Western corporations had fled due to Western sanctions. The United States' desired order has not been accepted by China or Iran, and both countries are attempting to modify it. This matter has important ramifications for the formation of a strategic alliance with China, which could result in the rise of new powers in the Middle East and Asia (Bazoobandi, 2024). Will China think that America's strategy to keep this country in check includes inciting conflict with neighboring countries and American protectorate nations, causing division among neighbors, endangering the key energy transmission line, and causing environmental instability in East and Southeast Asia. In this sense, the evolution of relations between the two nations is influenced by certain foreign policy overlaps, military and economic exchanges, and energy cooperation. China has taken significant steps in cooperation with the developing nations of the global economy through the BRICS, the Eurasian

Bank, and the "Belt and Road Initiative," (Hussain, 2024) the latter of which is a geo-economics mechanism that has garnered international attention, to counteract the West's America-centered actions. Annexes to this massive project consist of bilateral and multinational cooperation agreements. 2020 saw the signing of a 25-year comprehensive cooperation agreement between China and Iran as part of the BRI (Mokhtari, 2024).

2.5.2 China-Saudi Arabia Strategic and Security Relations

China along with Saudi Arabia will mark thirty years of their diplomatic ties in 2020. The relationship has grown over that time from a small-scale cooperation to a comprehensive strategic alliance. The bilateral connection based on the "1 + 2 + 3" collaboration pattern. This framework, which was revealed at the China-Arab government's partnership Forum in 2014, describes the goals China would work toward in partnership alongside Arab governments in the areas of energy, infrastructure, trade and funding, nuclear energy, space exploration, and renewable energy (KAYANI).

The largest and most significant diplomatic meeting between China and the Arab world since the Communist Party of China was founded will take place, according to Beijing Foreign Ministry Spokesperson Mao Ning, during a news conference on December 7, 2022, with the presence of Chinese President Xi Jinping. President Xi's "1+2+3" cooperation pattern has laid the groundwork for China and the Saudi Arabia to work together. The term was first used in the 2016 publication of China's Arab Policy Paper, and it was highlighted in the most recent study on China-Arab cooperation in the new era. The nations of the Middle East overwhelmingly approved China's 2013 proposal for the Belt and Road Initiative. Xi emphasized the need for cooperation between China and the Arab countries in establishing the "1+2+3" cooperation pattern and building the "Belt and Road" during the 6th Ministerial Conference of the China-Arab States Cooperation Forum in Beijing in 2014. Three high-tech industries for breakthroughs include aerospace satellites, nuclear energy, and new infrastructure are divided into two priority areas (trade and investment facilitation) and one focal area (energy cooperation) (Fulton, 2020).

3. Comparative analysis

China's policy toward Saudi Arabia plus Tehran is comparable in a number of ways, chiefly because it strongly emphasizes economic engagement and operates under the non-interference principle. Given that China buys a sizable amount of oil from each nation, these partnerships are essential to its energy security. Furthermore, (BRI) which seeks to improve international trade routes and infrastructure development, heavily depends on Saudi Arabia and Iran. China approaches each nation differently, nevertheless, with some noticeable distinctions. The two countries have quite different diplomatic agendas; China's steady relations with the West, especially the US, have an impact on Saudi Arabia (Khan, 2024). On the other hand, China's interactions with Iran are hindered by international sanctions, necessitating creative strategies to maintain commercial ties without drawing criticism from other quarters. China's relationship with Saudi is a geopolitical balancing act because Saudi Arabia is also a significant ally of the United

States. On the other hand, China's alliance with Iran can be interpreted as a challenge to American sway in the area. For China, navigating the geopolitical conflict between Saudi and Iran requires careful balance. Both countries have conflicting interests, which are most visible in wars like the one in Yemen and larger tensions between Sunnis and Shias. To avoid picking a side, China's approach entails remaining neutral and practicing economic diplomacy. China presents itself as a stabilizing power that supports regional development and stability without getting entangled in regional crises by encouraging multilateral talks and frameworks (Alterman, 2024).

3.1 China Backed Iran-Saudi Peace Deal

After years of antagonism, diplomatic relations were restored on March 10th when Saudi national security adviser Musaid bin Muhammad Al-Aiban and Iranian security official Ali Shamkhani signed an accord. China's mediation of this reunion is a sign of its expanding strategic ambitions in the region of the Middle East. The two Gulf governments decided to try to settle their differences in accordance with a set of international norms and two bilateral agreements struck in 1998 and 2001, following seven years of military along with diplomatic animosity. China, Saudi Arabia, and Iran declared a decision to restore diplomatic relations between Riyadh and Tehran in a joint statement that was made public on March 10. These intense talks are currently happening in Beijing (Kinasih, 2023). After Iranian demonstrators stormed Saudi diplomatic offices in Tehran and Mashhad in 2016 in revenge for the killing of renowned Saudi Shiite opposition preacher Sheikh Nimr al-Nimr, Saudi Arabia and Iran have been attempting to patch things up ever since 2021. At last, the endeavor paid off, with an announcement made in Beijing on March 10, 2023. China, which has a history of being a passive diplomatic player, had used the opportunity to attempt international mediation. But it took a while for that decision to be made. Iran proposed diplomatic negotiations to restore relations with Saudi Arabia in 2021. Riyadh rejected this, citing significant differences in security (Chaziza, 2018).

3.1.1 What is the deal?

The agreement, known as the Joint Trilateral Statement, specifies a timeline for the restoration of complete diplomatic relations, which includes an ambassadorial exchange. The Iranian The supreme court National Security Council secretary, Wang Yi, the head of the Foreign Affairs Committee of the Chinese Communist Party Central Committee, and other national security advisers to Saudi Arabia, Musaad bin Mohammed Al Aiban, and others sign the statement pleading with each other to respect the principles of sovereignty and non-interference in the other's internal affairs (Petyur, 2024).

It allows countries to continue meeting with China and each other to iron out the details of establishing diplomatic relations and reopening embassies for a period of two months. Moreover, it reassigns them to the two previous contracts that they signed in 2001 and 1998. In the first, there were commitments to increased commerce, investment, and collaboration in the areas of youth, science, technology, and culture (Evron, 2017). The second allowed security and

intelligence services in Iran and Saudi Arabia to collaborate in the fight against many dangers, including terrorist organizations that both nations confront.

3.1.2 Why now?

The Saudi-Iranian agreement is a result of years of circumspect participation and concerns about unresolved disputes. In 2019, attacks on Saudi Arabia's oil infrastructure and ships flying different flags in the Gulf occurred, leading to the US withdrawing from the nuclear accord with Iran and increasing economic sanctions on the nation. The Gulf monarchies and Western governments blamed Iran for the attacks, and Riyadh and Abu Dhabi sought assistance from the US. To reduce tensions, the United Arab Emirates and Saudi Arabia discreetly started corresponding with Iran (Naqvi, 2021). In April 2021, formal bilateral discussions were held, but the negotiations were irregular due to political unrest in Iraq.

China moved to mend the rift by hosting the first Chinese-Arab summit in December 2022, with President Xi Jinping attending. China offered to host Saudi-Iranian negotiations for this summit, and Saudi-Iranian relations quickly returned when China forwarded the information to Iranian authorities. The timing of the agreement may also be connected to developments in Yemen, where a de facto truce has been maintained since the formal one ended in October 2022. Talks about prolonging and broadening the ceasefire between the Huthis and the Saudis may be crucial to the success of a Saudi-Iranian agreement (Seifi, 2024).

4. Challenges and opportunities

China faces various obstacles in its dealings with Saudi Arabia and Iran. In terms of politics, standing with two adversarial countries exposes oneself to criticism from other superpowers like the US and the EU. Due to the unstable character of the Middle East and the serious hazards that continuous wars and tensions pose to Chinese nationals and investments, security worries are also very prevalent (Uctu, 2024). Notwithstanding these obstacles, China has a lot of chances. Economic advantages include new markets for Chinese goods and easy access to abundant energy supplies. As "reliable prospects for infrastructure and technology investment," Tehran and Saudi Arabia support China's objectives in the Belt and Road Initiative (BRI). Deeper strategic alliances, such as collaborative efforts for regional security and stability or combined military operations, can even be formed with this. China's goals for the region: Beijing views the Middle East as a strategically important area with potential economic benefits, but its penetrations and investments whether to become a big investor in Iraq or to secure oil as in Sudan cut both ways. One of the main tenets of this policy is the Belt and Road Initiative, which China launched in an effort to strengthen the economic routes connecting different nations. In addition to the economy, there is always potential for improving cooperation in the areas of technology, education, and cross-cultural relations, all of which might strengthen China's standing and attract attention from other countries (Mashwani, 2024).

5. Conclusion

China's diplomatic, geopolitical, and economic ties with Saudi Arabia and Iran provide light on Beijing's greater foreign policy outlook and global vision. A combination of non-interference, strategic balancing, and economic engagement characterize international relations. China is able to conduct business with both countries effectively due to its geographical location and economic transactions; but, due to political unrest, stability is threatened when building infrastructure and business is necessary. China's growing ties to both Saudi Arabia and Iran make this geopolitically significant for the Middle East. In March 2023, China will mediate the conflict between Saudi Arabia and Iran. The two Gulf governments have chosen a path to resolve their differences in accordance with several international norms and two bilateral agreements signed in 1998 and 2001, following seven years of military and diplomatic animosity. A joint statement from China, Saudi Arabia, and Iran on March 10th declared a deal to reframe and restore relations between Riyadh and Tehran. Beijing is currently the scene of intense negotiations. This raises questions about the researcher's methodology and highlights China's significant involvement and influence in the Arab region. Its presence in the area has the power to upset the delicate balances that can only be achieved by altering the course of current issues or escalating them. China's increasing sway over the Middle East puts the modern world order model in peril and forces other heavyweights to reevaluate their approach there. China's engagement with Saudi Arabia and Iran ultimately demonstrates its aspirations to become a global power, with far-reaching consequences for international relations and global stability.

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