

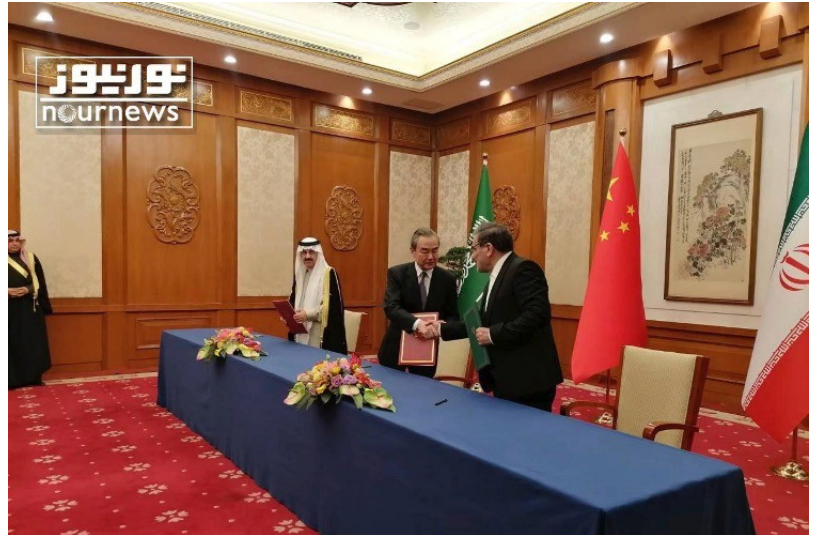


# China Brokers Deal Between Iran and Saudi Arabia.

## What's Next?

On March 10, Saudi Arabia and Iran reached a diplomatic milestone when they agreed to reboot normalized ties in a deal brokered by China.

The countries unveiled their plans in a joint statement confirming that the two largest Middle Eastern nations by area will restart diplomatic relations after severing ties in 2016, when protesters stormed the kingdom's embassy in Teheran after Saudi Arabia's execution of a key Saudi Shi'ite cleric. The ensuing conflict between the two Islamic nations, situated less than 240 kilometers away from each other across the Persian Gulf, has long influenced politics and trade in the Middle East.



AP Images

Tensions reached an alarming high in 2019, when a missile and drone assault on a key Saudi oil installation impacted half of the kingdom's crude production. U.S. officials claimed that Iran was directly responsible for the assault, though Iran denied involvement.

Besides, both countries have been fighting what is essentially a proxy war in Yemen, where a Saudi-led coalition is targeting Iranian-backed Houthi rebels.

Saudi officials have also frequently voiced concerns over Iran's nuclear program, saying that the kingdom would be Iran's first target.

However, Friday's deal would see a thaw in frosty ties, with each side reopening embassies in the other country within two months. Notably, this agreement was signed after four days of hitherto-classified talks in Beijing between top security officials from the two Middle Eastern powers. It was inked by Iran's top security official, Ali Shamkhani, and Saudi Arabia's national security advisor, Musaed bin Mohammed Al-Aiban. A third signatory was China's top diplomat, Wang Yi.

Both Middle Eastern countries thanked China, as well as Iraq and Oman for arranging earlier talks in 2021 and 2022.

"Talks were advanced on the basis of the consensus of the leaders of China, Saudi Arabia and Iran.... China will continue to play a constructive role in handling hot-spot issues, (and) demonstrate our responsibility as a major nation," said Wang.

Wang also pointed out that the talks demonstrated that the Ukraine crisis is not the only problem in the world, and that there were many issues revolving around peace and people's livelihoods that need proper handling.

In turn, Iraq lauded the agreement, saying the move would signify a new chapter between Iran and Saudi Arabia.



Written by [Angeline Tan](#) on March 13, 2023

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“A new page has been opened in diplomatic relations between the two countries,” read a statement from the Foreign Ministry of Iraq, which has conducted various rounds of reconciliation talks for the Iranians and Saudis since 2021.

A senior Iranian security official said Friday’s agreement was backed by Supreme Leader Ayatollah Ali Khamenei.

“That is why Shamkhani traveled to China as the supreme leader’s representative,” the official told Reuters. “The establishment wanted to show that the top authority in Iran backed this decision.”

Observers contend that this plan would most likely have far-reaching ramifications throughout the Middle East and the rest of the world.

For instance, Beijing’s involvement displays China’s rising clout in the region as well as the dwindling global influence of the United States, said Jon Alterman of the Centre for Strategic and International Studies in Washington.

“The not-so-subtle message that China is sending is that while the United States is the preponderant military power in the Gulf, China is a powerful and arguably rising diplomatic presence,” he said.

China’s role in brokering the deal could have “significant implications” for Washington, said Daniel Russel, the U.S. diplomat for East Asia under former president Barack Obama.

Russel said it is rare for China to independently broker a diplomatic deal in a conflict with which it is not involved.

“The question is whether this is the shape of things to come,” he said. “Could it be a precursor to a Chinese mediation effort between Russia and Ukraine when [President Xi Jinping] visits Moscow?”

Media outlet AFP reported China as being the “godfather” of the agreement, as its influence over Iran was key to reassuring the Saudis, citing analysts.

“This may be a sign of [China’s] growing confidence in its regional presence, it may be a sign that it thinks there is space to challenge US preponderance in the Middle East. In any case, it looks like a diplomatic win for China and a significant departure from its regional approach up to this point,” senior resident Atlantic Council fellow Jonathan Fulton told AFP.

For years, China has been trying to rival America’s role as a global superpower. Friday’s agreement was a big diplomatic win for China, challenging America’s influence in the Middle East.

The mouthpiece for the Chinese Communist Party, the *Global Times*, praised the deal as a major indicator of Beijing’s influence as a global power, and the corresponding decline of American influence under aging Democrat President Joe Biden.

The *Global Times* further quoted analysts who credited Beijing with working out a deal between the Saudis and Iranians and providing stability to counter the “impact of the Russia-Ukraine conflict.”

Alluding to the deal, Joost Hiltermann of the International Crisis Group said,

The White House has come out and said that it’s quite OK with the fact that they are reestablishing diplomatic relations, but it’s also clear that the United States could never have brokered this because it cannot speak to Iran directly. So if Iran and Saudi Arabia want to go ahead with this, they needed another intermediary, and that clearly was China. Now, is the United States happy that China is starting to present — profile itself in the Middle



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East as a potential broker of relations and with a history where it has had huge and growing economic and commercial investments and interests and is now starting to dabble in the political sphere? I'm sure that there are some concerns about the rising power of China that is starting to manifest itself in the Middle East as well on the political level.

Regarding America's stance, White House spokesman John Kirby said that although Washington was not directly involved in Friday's deal, Saudi Arabia informed U.S. officials of the talks.

Kirby seemed to minimize China's role in Friday's development, saying that internal and external pressure, including successful Saudi deterrence against attacks from Iran or its proxies, eventually convinced Teheran to normalize relations with the Saudis.

Nonetheless, former senior U.S. and UN official Jeffrey Feltman said China's role, rather than the reopening of embassies after six years, is the most significant aspect of the agreement.

"This will be interpreted — probably accurately — as a slap at the Biden administration and as evidence that China is the rising power," said Feltman, a fellow at the Brookings Institution.

"China doesn't have the capacity to play a bigger security role in the region," commented Sanam Vakil, deputy director of the Middle East and North Africa program at Chatham House, a London think tank. But the deal to restore diplomatic ties between Iran and Saudi Arabia "foreshadows its potential to be an appealing alternative to Washington."

Indeed, this recent deal brokered by China further adds to the communist state's influence in the Gulf region, after authoritarian leader Xi Jinping's meeting the leaders of Saudi Arabia and other Gulf Cooperation Council (GCC) nations in December last year.

In December, Xi had urged the Gulf countries — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates — to conduct bilateral oil and gas transactions in the Chinese yuan rather than the U.S. dollar by using the Shanghai Petroleum and Natural Gas Exchange as a platform.

Xi's December trip marked "the birth of the petroyuan," and China's drive "to rewrite the rules of the global energy market," according to Credit Suisse analyst Zoltan Pozsar, whose comments were published in a British newspaper.

Pozsar had previously said that China hoped to de-dollarize parts of the world, since the U.S. dollar's hegemonic status was used to undermine Russia. He acknowledged that Xi's declaration was part of "a larger effort to de-dollarize" the BRICS countries (Brazil, Russia, India, China, and South Africa) "and many other parts of the world after the weaponization of dollar foreign exchange reserves" coinciding with the onset of the Ukraine-Russia crisis last year.

Dampening American influence in the region even further has been the tense relationship between the United States and Saudi Arabia, particularly since the 2018 assassination of journalist Jamal Khashoggi, who had criticized the Saudi regime. Based on U.S. intelligence reports in 2021, Saudi Crown Prince Mohammed bin Salman authorized an operation to kill or capture Khashoggi.

Also, with the United States having strained ties with Iran for decades since the 1979 Iranian Revolution, it would be less able than China to arrange a deal such as last Friday's between the Iranians and Saudis. In contrast, China has bought huge amounts of oil from Saudi Arabia and has maintained warm ties with Iran.

"It should be a warning to US policymakers: Leave the Middle East and abandon ties with sometimes



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frustrating, even barbarous, but long-standing allies, and you'll simply be leaving a vacuum for China to fill," said Jonathan Panikoff, the director of the Scowcroft Middle East Security Initiative for the Atlantic Council, in a Friday statement.

It could be said that this deal reflects a shift in Saudi foreign policy away from the United States. While the United States remains Saudi Arabia's largest military supplier, recent years have shown that the desert kingdom has been wooing several powers, including Russia, China, and now, Iran.

With Washington increasingly preoccupied with sending Ukraine hundreds of billions of dollars in economic and military aid, the Middle East is trying to address its old divisions and ease tensions. Beijing's ability to talk to all sides without lecturing them on human rights has thus far seemed to be a more appealing prospect for the region's many authoritarian regimes.

Nevertheless, U.S. ally Israel lambasted last Friday's announcement, stating it proved Washington's *and* Israel's "weakness" toward Tehran. "There was a feeling of US and Israeli weakness and this is why the Saudis started looking for new avenues. It was clear that this was going to happen," a senior Israeli official told reporters traveling with Prime Minister Benjamin Netanyahu, according to Axios.

This new development would make Israel's goal to target Iranian nuclear facilities and Washington's plans to destabilize the Iranian government even more challenging.

An unnamed senior Israeli political official accused former Prime Ministers Yair Lapid and Naftali Bennett for Friday's China-brokered deal, after criticism from the opposition to the Netanyahu government for missing an opportunity to boost ties with Arab states.

In a statement to Israeli paper *Ynet*, the official said, "The contacts between the countries started a year ago, during the term of the previous government, because there was a feeling of Israeli and American weakness. Weakness brings rapprochement with Iran, while strength pushes rapprochement away."

"It is important to form a strong position against Iran, both in the United States and in Europe. The Israeli policy of preventing Iran from arming itself does not depend on the support of any country," he noted.

That being said, the official stated that efforts will continue for an Israeli reconciliation with Riyadh. "The contacts are frequent and the basic picture did not change. The stronger the Western position against Iran is, the less significant their relations with Saudi Arabia will be."

Meanwhile, Lapid's office dismissed the official's remarks, responding, "These are delusional statements. During the period of our government, an aviation agreement was signed with Saudi Arabia and the tripartite security agreement with Saudi Arabia and Egypt."

Lapid then proceeded to blame Netanyahu for straining relations with Washington, stating, "All of this came to a halt when the most extreme government in Israel's history was established here, and it became clear to the Saudis that Netanyahu was weak and the Americans stopped listening to him. Apparently, the Italian wine blurred Mr. Netanyahu's memory."

Lapid added, "The [Saudi-Iran] agreement is a complete and dangerous failure of the Israeli government's foreign policy."

"This is what happens when you deal all day long with [legal madness](#) instead of doing what needs to be done *vis-à-vis* Iran and instead of strengthening relations with the United States."



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Former Prime Minister Naftali Bennett reinforced Lapid's views, saying, "The renewal of relations between Saudi Arabia and Iran is a serious and dangerous development for Israel, a political victory for Iran and a fatal blow to the effort to build a regional coalition against Iran. It is a resounding failure of the Netanyahu government, stemming from a combination of diplomatic neglect with general weakness and internal conflict in the country."

Bennett added, "The countries of the world and the region watch Israel and see a country in conflict, with a dysfunctional government. And so these countries choose a side. The Netanyahu government is a resounding economic, political and security failure. Every day, its actions endanger the State of Israel."

Senior opposition member Gideon Saar, who is also a member of the Knesset's foreign affairs and security committee, tweeted, "Netanyahu promised peace with the Saudis. But eventually [the Saudis] made peace with Iran."

Chair of the Knesset's foreign affairs and security committee Yuli Edelstein said that the agreement "is very bad for Israel and for the entire free world," adding, "The world does not stop while we are busy here with power struggles and clashes — certainly not our worst enemy."

The news of the China-brokered deal came as Netanyahu was in Rome for his meeting with Italian Prime Minister Giorgia Meloni. Speaking with Italian business people before the publication of the agreement, Netanyahu said, "I think the possibilities will grow beyond imagination if we are successful with another goal that I have, and that is to achieve normalization and peace with Saudi Arabia. One of my central goals is to achieve normalization with Saudi Arabia."

The Israeli press pointed out that Netanyahu's optimistic words before the publication of the Iran-Saudi agreement clearly showed he was out of touch with the Saudis' intention that the Saudi deal showed that Riyadh does not think Israel has a feasible plan for curbing the Iranian nuclear program.

For years, Iran and Israel have been at loggerheads with each other, with Israel being one of the fiercest critics of Iran and its nuclear program. The Israeli government under Netanyahu had protested the 2015 nuclear deal that curtailed the program in exchange for the United States loosening sanctions on the Iranian regime.

In recent years, Israel has stepped up its diplomatic efforts with various Arab states, primarily via the 2019 Abraham Accords that saw Israel mending ties with the United Arab Emirates and Bahrain. Subsequently, Sudan and Morocco also set up diplomatic relations with Israel.

*The New York Times* reported that Saudi Arabia has issued its conditions for recognizing Israel, which encompassed a security guarantee from the United States, the development of a civilian nuclear program, and reduced sanctions on U.S. arms sales.

President Biden appeared to express support for the Saudi-Iranian deal in a statement Friday, saying that "Better relations between Israel and their Arab neighbors are better for everybody." Biden's comments certainly hold true, but with his administration's full-fledged support of the Ukraine conflict and reduced clout in the Middle East, it is not surprising if observers conclude that his words are merely rhetoric. After all, better relations between Ukraine and Russia, without a further provocation of Russia by a U.S.-led NATO, would also be better for everybody.





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