



Proliferation Risks in the Persian Gulf and the Prospects for Chinese Nuclear Diplomacy

Ludovica Castelli and Jacopo Scita

February 2024



Table of contents

Introduction	3
China's historical approach to nuclear non-proliferation in the Persian Gulf	7
Current and future trends in Chinese non-proliferation efforts	10
China's civilian nuclear cooperation with Persian Gulf countries	14
Current and future trends in Chinese civil nuclear cooperation	16
Conclusion	22

Author biographies

Ludovica Castelli is a Doctoral Researcher at the University of Leicester within the Third Nuclear Age project, funded by the European Research Council. She is currently a Visiting PhD candidate at the Università Roma Tre. Her research focuses on international relations theory and nuclear studies with a particular emphasis on poststructuralism, foreign policy analysis, and nuclear history in the Middle East.

Jacopo Scita is a Geopolitical Analyst at Cassa Depositi e Prestiti. Prior, he was a Policy Fellow at the Bourse & Bazaar Foundation, focused on China's political and economic relations in the Middle East (2022-2023). Jacopo holds a PhD in Government and International Affairs from Durham University.

This report was supported by a grant from Ploughshares Fund.

Cover: CNNC



Introduction

China has significantly increased its diplomatic and economic presence in the Middle East in the past decade, with the Persian Gulf as the focus of its regional attention. Recently, China's role as a regional mediator reached a new level when it brokered a normalization deal between Iran and Saudi Arabia. In March 2023, the image of Iranian and Saudi top security officials shaking hands after years of diplomatic tensions caught much of the world by surprise. Not only were Iran and Saudi Arabia signaling their intention to open a new chapter in a historically fractious relationship, but they were announcing their breakthrough in Beijing. At Saudi Arabia's request, China had stepped in as the last-mile mediator, giving Chinese authorities the opportunity to take credit for an extraordinary diplomatic success in a region historically dependent on American mediation.¹ China appears keen to build on this diplomatic success. But doing so will require grappling with the complex nuclear dynamics in the Middle East and the impact that threat perceptions have on diplomatic and security ties. The region remains on the brink of a significant proliferation crisis, owing to Iran's continued non-compliance with its obligations under the JCPOA. Meanwhile, Saudi Arabia and the United Arab Emirates (UAE) are pursuing domestic civil nuclear programs.

This paper seeks to examine whether China is poised to take on more responsibility for the proliferation risks in the region as it advances its own diplomatic and commercial interests. It will also explore how China might engage Iran, Saudi Arabia, and the UAE as a potential non-proliferation leader and as a commercial partner in the development of their civil nuclear programs. To do so, we engaged with two existing research scholarships, the vast body of literature on China and nuclear nonproliferation and the increasingly rich research on China's relations with the Middle East, with the aim of bringing them into conversation. Furthermore, in order to enrich our contribution and add further insights to the literature, we interviewed several experts on nonproliferation and Sino-Middle East relations: four of these interviews have been directly quoted in the report, and the interviewees were granted anonymity to allow them to speak candidly. They are identified by their job role. The surprisingly limited number of existing works combining China and non-proliferation in the MENA region was one of the intellectual triggers that prompted this research.² Additionally, as a great power within the global nuclear order and a trustworthy actor in the region, China potentially has a pivotal role to play in creating a favorable international environment for nonproliferation efforts.

Energy remains the fundamental basis of China's strategic and security interests in the Middle East. Already fifteen years ago, John Garver and John Alterman described China's Middle

1 William Figueroa, "Iran-Saudi Normalization: A Regional Process with Chinese Characteristics," *Foreign Policy Research Institute*, March 24, 2023, <https://www.fpri.org/article/2023/03/iran-saudi-normalization-a-regional-process-with-chinese-characteristics/>; Mehran Haghirián and Jacopo Scita, "The Broader Context Behind China's Mediation Between Iran and Saudi Arabia," *The Diplomat*, March 14, 2023, <https://thediplomat.com/2023/03/the-broader-context-behind-Chinas-mediation-between-iran-and-saudi-arabia/>

2 A notable exception is Degang Sun, Haiyan Xu, and Yichao Tu, "In with the New: China's Nuclear-Energy Diplomacy in the Middle East," *Middle East Policy* 29, no. 1 (2022): 41-60, <https://doi.org/10.1111/mepo.12619>.

East policy as mainly guided by energy demands.³ Xi Jinping gave new impetus to China's global diplomacy with the launch of the flagship Belt and Road Initiative in 2013. Since then, China's relations with the countries surrounding the Persian Gulf have deepened considerably, moving from narrow, energy-driven relationships to an increasingly broad set of partnerships. Yet, economic ties and energy relations continue to constitute the core of China's footprint in the region, benefiting from the continued presence of the United States as a security guarantor. Today, roughly 56 percent of China's crude oil imports originate from the region, with Saudi Arabia alone accounting for 18 percent of China's crude supply in 2022.⁴ Qatar is the third largest supplier of LNG to China, and the recent long-term deals signed between Chinese energy companies and Doha suggest that China's reliance on Persian Gulf's energy will only increase.⁵ Despite US sanctions, Iran too remains a key component of China's energy security. In the past two years, China has significantly increased its imports of Iranian crude, with imports intermediated by countries like Iraq, UAE, and Malaysia.⁶ According to tanker trackers, between January and October 2023, Iran exported an average of 1.05 million barrels per day of crude oil to China, a figure that puts Iran among China's top five suppliers.⁷ China's continued purchases of Iranian oil provide the country an economic lifeline under U.S. sanctions, but the purchases are also necessary to maintain China's energy security, especially in light of Iranian threats to block energy exports through the Strait of Hormuz should it be pushed out of the global oil market entirely.⁸

The principle of balancing is key to understanding how China's growing presence in the Middle East might impact non-proliferation efforts. China anchors its regional strategy on balancing between the regional powers. Xi's diplomacy in the Persian Gulf culminated in January 2016 with the announcement of the will to upgrade ties with both Saudi Arabia and Iran to the Comprehensive Strategic Partnership (CSP) level, the highest in the emerging hierarchy of bilateral partnerships that China has devised in the Middle East. In 2018, it was the turn of the UAE, completing the set of CSPs with the three countries that China

-
- 3 See Jonathan Fulton, "China's Emergence as a Middle East Power," in *Routledge Handbook on China-Middle East Relations*, ed. Jonathan Fulton (London: Routledge, 2021), pp.3-12
 - 4 "Country Analysis: China," U.S. Energy Information Administration, last updated November 14, 2023, <https://www.eia.gov/international/analysis/country/CHN>.
 - 5 Andrew Mills and Maha El Dahan, "Qatar strikes second big LNG supply deal with China," *Reuters*, June 20, 2023, <https://www.reuters.com/business/energy/qatar-set-strike-second-big-lng-supply-deal-with-china-ft-2023-06-20/>; "Sinopec signs new 27-year LNG supply deal with Qatar Energy," *Reuters*, November 6, 2023, <https://www.reuters.com/business/energy/sinopec-says-signs-new-27-year-lng-supply-deal-with-qatarenergy-2023-11-04/#:~:text=The%20deal%2C%20signed%20at%20the,27%2Dyear%20deal%20last%20year.>
 - 6 Chen Aizhu and Muyu Xu, "China saves billions of dollars from record sanctioned oil imports," *Reuters*, October 11, 2023, <https://www.reuters.com/markets/commodities/china-saves-billions-dollars-record-sanctioned-oil-imports-2023-10-11/>.
 - 7 Muyu Xu, "Explainer: Iran's expanding oil trade with top buyer China," *Reuters*, November 10, 2023, <https://www.reuters.com/markets/commodities/irans-expanding-oil-trade-with-top-buyer-china-2023-11-10/#:~:text=China%2C%20the%20world's%20largest%20crude,by%20Chinese%20customs%20in%202017;Oceana%20Zhou%20and%20Daisy%20Xu,%20APPEC%20Saudi%20Arabia%20set%20to%20increase%20crude%20supplies%20to%20China%20in%202024.>
 - 8 "Iran Guards Commander Threatens to Block Strait of Hormuz," *Radio Farda*, February 26, 2019, <https://en.radiofarda.com/a/iran-guards-commander-threatens-to-block-hormuz/29791593.html>; "Iran's Deputy Parliament Speaker Threatens to Close Strait of Hormuz," *Iran International*, November 25, 2023, <https://www.iranintl.com/en/202311252689>.

identifies as pivotal for its ascent as an external power in the Persian Gulf.⁹ Second, the “1+2+3 cooperation pattern” that Xi presented at the 2014 China-Arab States Cooperation Forum continues to encapsulate China’s priority in the Persian Gulf: energy is the first priority, infrastructure, trade, and investments are secondary, while nuclear energy, renewables and space cooperation are at the bottom of the priority scale. Although it is notable that the China included nuclear energy in its agenda for engagement with the Middle East, its low priority clearly suggests that Chinese policymakers are aware that, at least in the short-term, it is unlikely that Chinese technology will take any prominent role in developing nuclear energy in the region. Of course, if China seeks to ensure energy security and expand trade and investment, it would be important to avoid a proliferation crisis that could lead to a regional conflict. In this sense, if threats were weighed equally to opportunities, nuclear diplomacy would be much more central to China’s cooperation pattern. But recent history suggests China has been unable or unwilling to take a leadership role in nonproliferation in the Persian Gulf.

In China, nuclear power is overseen by four key government departments: the National Energy Administration, the China Atomic Energy Authority, the Ministry of Ecology and Environment (National Nuclear Safety Administration), and the National Health Commission. The National Energy Administration is the energy industry management department, responsible for designing development and implementation plans, and standards for nuclear power projects, while also coordinating scientific research. The China Atomic Energy Authority is the nuclear industry authority of the country, responsible for managing China’s civilian nuclear energy industry, and cooperating with international organizations. The Ministry of Ecology and Environment (National Nuclear Safety Administration) regulates nuclear safety and radiation, overseeing nuclear power plants (NPPs). Four major state-owned enterprises are involved in China’s nuclear power sector: China National Nuclear Corporation, China General Nuclear Power Corporation, State Power Investment Corporation Limited, and China Huaneng Group Co., Ltd.¹⁰ Decision-making processes in China’s nuclear policy, much as other major technological management, are opaque to outsiders because of the primacy of Party, not state, structures for governance. While the State Council is the public face of decision making, its outputs ultimately reflect Party elite consensus formed behind closed doors.¹¹

At the peak of the Iran nuclear crisis around a decade ago, Chinese commentators and policymakers signaled that China did not feel directly threatened by Iran’s potential proliferation. China exhibited saw less urgency to solving the crisis than the other world powers. Nonetheless, when, in 2013, the US and Iran began serious negotiations over Iran’s nuclear project, and the prospect of an agreement seemed real, China emerged from its rather passive role to support the negotiations as a member of the P5+1. At certain turns, China intervened to help bridge US and Iranian demands with the aim

9 See, Sun Degang, “China’s Partnership Diplomacy in the Middle East,” in *Routledge Handbook on China-Middle East Relations*, ed. Jonathan Fulton (London: Routledge, 2021), pp. 299-311

10 “China: Country Nuclear Power Profiles,” IAEA, last updated 2022, <https://cnpp.iaea.org/countryprofiles/China/China.htm>.

11 Interview with UK-based expert on Chinese nuclear policy.

of seeing the negotiations succeed.¹² The pattern seems to have repeated itself in the recent Saudi-Iran normalization deal—China joined the negotiations when the hard work had been done but still got to enjoy the victory lap. At some stage, China's expanded footprint in the Persian Gulf and the broader Middle East will obligate it to take on more responsibility for regional diplomacy and balancing between regional and external powers, particularly with regard to nonproliferation efforts.¹³ The question is whether China is prepared to take on that role.

12 "The Iran Nuclear Issue: The View from China," International Crisis Group, Asia Briefing No. 100, February 17, 2010, <https://www.crisisgroup.org/asia/north-east-asia/china/iran-nuclear-issue-view-beijing>.

13 See, John W. Garver, "China and the Iran Nuclear Negotiations: China's Mediation Efforts," in *The Red Star and the Crescent: China and the Middle East*, ed. James Reardon-Anderson (New York: Oxford University Press, 2018), pp.123-148



China's historical approach to nuclear non-proliferation in the Persian Gulf

China's policy on nuclear non-proliferation reflects China's broader approach to the norms and institutions relating to nuclear weapons. Initially removed from arms control and non-proliferation initiatives led by major global powers due to its historical isolation and limited role in international diplomacy, China's involvement in global nuclear governance has progressively shifted in recent decades. China's rising global power has granted it a growing diplomatic space in international and regional non-proliferation issues, allowing it to re-position itself within the global nuclear order and, hence, advance its national interests.

National expediency and ambivalence have traditionally guided China's policy towards nuclear nonproliferation, thereby enabling it to adhere to or discreetly disregard normative selective constraints according to its own discretion.

Since the mid-1980s, and in contrast with its traditional "detachment", China has consolidated a position of absolute objection to any nuclear proliferation, epitomized by its declaratory policy of "three nots": we don't stand for, encourage, or engage in nuclear proliferation."¹⁴ As China progressed through its period of opening up, its nuclear policy slowly aligned with that of the international community.¹⁵ In its inaugural white paper on arms control and disarmament, published in 1995, China asserted that nonproliferation should not "present an obstacle to the just rights and interests of all countries in the peaceful use of science and technology."¹⁶ The paper opposed any "double standard whereby anti-nuclear proliferation is used as a pretext to limit or retard the peaceful use of nuclear energy by developing nations."¹⁷ In a subsequent 2005 white paper, China rectified its stance by downplaying its identity as a developing country and emphasizing the role of the global nonproliferation regime.

According to a 2010 white paper, "China firmly opposes the proliferation of weapons of mass destruction (WMD) and their means of delivery, and consistently deals with non-proliferation issues in a highly responsible manner."¹⁸ Additionally, there have been cases in which China

14 Quoted in Mingquan Zhu, "The Evolution of China's Nuclear Nonproliferation Policy," *The Nonproliferation Review/Winter* (1997): 40-48, p.45.

15 In May 1996, China officially declared its decision to cease offering support to nuclear facilities that lacked full IAEA safeguards. See, *SIPRI Yearbook 1997: Armaments, Disarmament and International Security* (Oxford: Oxford University Press, 1997), p.351.

16 "China: Arms Control and Disarmament," Information Office of the State Council of the People's Republic of China (November 1995), <http://www.china.org.cn/e-white/army/index.htm>.

17 Ibid.

18 "China's National Defense in 2010," Information Office of the State Council of the People's Republic of China (March 2011), http://www.china.org.cn/government/whitepaper/node_7114675.htm.

proactively participated in the management of regional non-proliferation (North Korea), as well as rejected requests for nuclear aid, as happened with Libya in the 1970s and Iraq in 1980.¹⁹ In other cases, China has been involved in cases of unsafeguarded nuclear transfers to countries developing ambiguous nuclear projects, as occurred with Pakistan and Iran, and controversial arms sales, such as the 1988 sale of IRBMs (Dong Feng 3A) to Saudi Arabia or M-9 and M-11 missiles to Syria and Pakistan.²⁰

In the specific context of the Persian Gulf, two historic cases deserve greater scrutiny: Iraq and Iran. In the early 1990s, following a consensus on the imperative need to disarm Iraq promptly following its defeat in the 1991 War, China consistently supported UN resolutions related to Iraq without disrupting any resolution concerning weapons inspections. According to scholars, China's support for the objective of disarming Iraq was in line with its established arms control policy and was not influenced by conflicting national interests.²¹ While China did express concerns about Iraqi sovereignty and territorial integrity and had reservations on the issue of weapons inspections, preserving credibility and reputation at the UNSC, together with the commitment to disarm Iraq, was prioritized. Among the measures suggested by Chinese policymakers were the early lifting of sanctions, the elimination of Iraq's biological and chemical weapons, and the support for the goal of establishing a zone free from WMD in the region.

China's involvement with Iran's nuclear program has entailed a delicate equilibrium between its political and economic considerations. Initially, China engaged in nuclear trade with Iran driven primarily by economic motives,²² although international politics also played a decisive role, as demonstrated by China's decision to abruptly suspend nuclear cooperation with Iran in 1996-1997 in order to prioritize its relationship with the United States.²³ When Iran's nuclear program gained prominence in 2003, and negotiations began involving the E3, China stayed somewhat removed from diplomatic efforts as its trade wasn't a central issue. However, when negotiations reached an impasse involving the US, Russia, and the E3, China actively participated.²⁴ Concurrently, China's growing economy heightened the significance of its energy cooperation with Iran. Balancing political obligations and economic interests, China navigated negotiations

19 See, Dhafir Selbi, Zuhair al-Chalabi, and Imad Khadduri, *Unrevealed Milestones in Iraq's National Nuclear Program: 1981-1991* (CreateSpace Independent Publishing Platform, 2011), p.24; Målfrid Braut-Hegghammer, *Nuclear Physics: Why Iraq and Libya Failed to Build Nuclear Weapons*. 1st ed. (Cornell University Press, 2016), p.141 and 158.

20 See, Ethan Meick, "China's Reported Ballistic Missile Sale to Saudi Arabia: Background and Potential Implications," U.S.-China Economic and Security Review Commission Staff Report, June 16, 2014, https://www.uscc.gov/sites/default/files/Research/Staff%20Report_China%27s%20Reported%20Ballistic%20Missile%20Sale%20to%20Saudi%20Arabia_0.pdf; Mohan J. Malik, "China and the Nuclear Non-Proliferation Regime." *Contemporary Southeast Asia* 22, no. 3 (2000): 445-78. <https://www.jstor.org/stable/25798507>.

21 Suzanne Xiao Yang, *China in the UN Security Council Decision-making on Iraq* (London: Routledge, 2013), pp.178-181.

22 John W. Garver, *China and Iran: Ancient Partners in a Post-Imperial World* (University of Washington Press, 2006), pp. 161-162.

23 *Ibid.*, p. 233.

24 See, John W. Garver, "China and the Iran Nuclear Negotiations: China's Mediation Efforts," in *The Red Star and the Crescent: China and the Middle East*, ed. James Reardon-Anderson (New York: Oxford University Press, 2018), pp. 123-148

while supporting UN Security Council resolutions imposing sanctions against Iran.²⁵ Simultaneously, China aimed to lessen its dependence on Iranian energy exports over recent years turning to Saudi Arabia as its main oil supplier in the Persian Gulf while also pursuing a strong diversification strategy.

²⁵ See, Jacopo Scita, "China-Iran Relations Through the Prism of Sanctions," *Asian Affairs* 53, no. 1 (2022): 87-105, <https://doi.org/10.1080/03068374.2022.2029060>.



Current and future trends in Chinese non-proliferation efforts

On November 13, 2023, the deputy chief of the Chinese mission to the UN, Ambassador Geng Shuang, declared that «nuclear weapons and other weapons of mass destruction have been a major factor causing a trust deficit in the Middle East, undermining regional peace and stability.»²⁶ Geng's call came after an Israeli minister suggested that Tel Aviv should consider using nuclear weapons in Gaza as an option. In that same occasion, Deng reiterated China's long-time support for the creation of a Middle East zone free of nuclear weapons and other weapons of mass destruction (WMDs)—a position that was repeated a week later by Ambassador Li Song, China's permanent representative to the IAEA who told the IAEA's board of governors that «the Middle East should not be threatened by nuclear weapons. This is the common call from countries in the region».²⁷ Yet, while calling for “more efforts” to support the establishment of a WMD's free zone in the Middle East, Li's words did not indicate that China is willing to take the lead in such process. In principle, therefore, China remains an advocate of nuclear non-proliferation in the region²⁸, supporting local efforts to prevent the proliferation of nuclear weapons.²⁹ In practice, China is far from taking leadership roles in such a politically sensitive and costly realm. Therefore, the same cost-benefit calculus that sees China directing its economic statecraft in the Persian Gulf mainly towards sectors such as hydrocarbons or renewables or infrastructure construction instead of nuclear cooperation, can be applied to China's attitude towards nonproliferation. Although China's increasingly pervasive relations with the region suggests that “there is probably influence China can exert,” currently, China has no incentive nor the will to focus heavily on nuclear nonproliferation in the Persian Gulf, suggesting that its approach to the issue will remain largely “reactive”.³⁰

26 Riyaz ul Khaliq, “Amid Conflict in Gaza, China Backs Calls for Middle East Free of Nuclear Arms,” *Anadolu Agency*, November 14, 2023, <https://www.aa.com.tr/en/asia-pacific/amid-conflict-in-gaza-china-backs-calls-for-middle-east-free-of-nuclear-arms/3053047>.

27 “China Calls for Building Nuclear-Weapon-Free-Zone in Middle East,” *China Daily*, November 23, 2023, <https://www.Chinadailyasia.com/article/362871>

28 See, Haotan Wu, “China's Non-Proliferation Policy and the Implementation of WMD Regimes in the Middle East,” *Asian Journal of Middle Eastern and Islamic Studies* 11, no. 1 (2017): 65-82, <https://doi.org/10.1080/25765949.2017.12023326>.

29 For instance, in the joint communique that followed the China-GCC meeting on December 9, 2022, China and the Persian Gulf organisation jointly called for supporting the NPT and prevent nuclear proliferation in the region. See, “GCC-China Leaders Urge Non-Proliferation of WMDs in Gulf Region – Statement,” Kuwait News Agency (KUNA), December 9, 2022, <https://www.kuna.net.kw/ArticleDetails.aspx?id=3072059&language=en>.

30 Interview with a US-based expert on Chinese foreign policy

In terms of actual diplomatic capabilities, the Chinese involvement in the Saudi-Iran rapprochement indicates that China is moving along the learning curve, gaining diplomatic experience and credibility in the region. Yet, translating still limited experience into effective nonproliferation diplomacy and, even more, moving from a reactive to a proactive approach does not appear likely in the immediate future. Nonetheless, as noted by a former senior official of IAEA, when it comes to nonproliferation, “China might be more interested in exercising a restraining role (especially with Saudi Arabia)” in the Persian Gulf if Sino-US relations improve.³¹ In fact, under the current state of China-Washington relations, the Persian Gulf’s nuclear ambitions are emerging as another field of competition rather than coordination between the two great powers, with local actors, such as KSA, using the bugbear of expanding nuclear cooperation with China as a leverage vis-à-vis Washington. Today, the prospect of effective Sino-US engagement on nonproliferation in the region remains low and reflective of a profoundly deteriorated relationship on the global level.

The most pressing nuclear non-proliferation issue in the Persian Gulf remains Iran. While the JCPOA is arguably in China’s best security interest, China has made limited efforts to revive the agreement, which many have defined as “dead”. President Xi reaffirmed China’s commitment to the swift implementation of the JCPOA during February 2023’s Raisi visit to China, signaling China’s desire to continue support nuclear negotiations.³² However, China’s approach has remained consistent since 2018, featuring calls for a return to the JCPOA, criticism of U.S. unilateralism, and minimal direct involvement in the Vienna Talks. Before and after the Trump administration decided to withdraw the United States from the JCPOA, Chinese authorities strongly criticized the US administration for jeopardizing the landmark non-proliferation agreement and imposing maximum pressure on Iran.³³ After the announcement of Washington’s exit from the agreement in May 2018, the Chinese special envoy to the Middle East, Gong Xiaosheng, declared that China wanted to “ensure the integrity and sanctity” of the Iran Deal since it was regarded as an effective non-proliferation instrument and a source of stability in the Middle East. He added that China “will carry on the normal and transparent pragmatic cooperation with Iran based on not violating our international obligation.”³⁴ In the following years, China continued its rhetorical support for a return to the 2015 nuclear deal without taking a leading role in the Vienna Talks,³⁵ but constantly calling the United States and Iran to return to the full compliance with the JCPOA’s terms.³⁶ Notably, in their first virtual meeting (November 16, 2021), according to the

31 Interview with a former official of the International Atomic Energy Agency

32 “Xi Jinping Holds Talks with Iranian President Ebrahim Raisi,” Ministry of Foreign Affairs of the People’s Republic of China, February 14, 2023, https://www.mfa.gov.cn/mfa_eng/zxxx_662805/202302/t20230216_11025776.html.

33 See, “China Calls Iran Nuclear Deal ‘Irreplaceable,’ Blames Trump for Tensions,” *The Associated Press*, July 16, 2019, <https://www.haaretz.com/world-news/2019-07-16/ty-article/china-calls-iran-nuclear-deal-irreplaceable-blames-trump-for-tensions/0000017f-da83-dea8-a77f-dee336610000>; “China Says Hopes Iran Nuclear Deal Stays Intact Amid Trump Criticism,” Reuters, October 9, 2017, <https://www.reuters.com/article/us-iran-nuclear-usa-China/China-says-hopes-iran-nuclear-deal-stays-intact-amid-trump-criticism-idUSKBN1CE0NG/>.

34 “China Reassures Tehran on Honoring Nuclear Deal, Buying Iranian Oil,” *RFE/RL*, May 10, 2018, <https://www.rferl.org/a/China-reassures-tehran-honoring-nuclear-deal-buying-iranian-oil-saudi-arabia-pledges-make-up-shortfall/29218516.html>.

35 Laurence Norman and Brian Spegele, “U.S. Hope for Iran Nuclear Talks Now Rests on China, Russia,” *The Wall Street Journal*, December 6, 2021, <https://www.wsj.com/articles/u-s-hope-for-iran-nuclear-talks-now-rests-on-china-russia-11638790536>.

36 “Wang Yi Welcomes Iran’s Resumption of JCPOA Nuclear Negotiations by Late Nov,” *Global Times*, November 7, 2021, <https://www.globaltimes.cn/page/202111/1238336.shtml>.

readout of the US National Security Advisor Jake Sullivan, Joe Biden and Xi Jinping agreed that the Iranian nuclear issue was an “immediate challenges where the US and China have worked together historically and are now facing important moments.”³⁷ Although Sullivan’s words could have suggested a potential cooperative turn between the two great powers to favor a return to the JCPOA, China has since remained on the sideline of the negotiations, and no concrete step up in cooperation between Washington and China on Iran has been publicly reported.

The nature of discussions between Chinese and Iranian officials remains opaque. China seems content with the status quo, as it sufficiently safeguards its core interests in the region, even though Chinese investments in Iran have languished.³⁸ As noted by a leading nonproliferation expert, “that raises questions about China’s political will to exercise diplomacy to reduce nuclear tensions. While China is still likely to oppose Iran developing nuclear weapons, China may not view a better US-Iranian relationship as in its strategic interest at this time. Furthermore, China is giving Iran a free pass on its failure to implement its legally required safeguards obligations and does not appear to be incentivizing Iran to enhance transparency.”³⁹ In the global context, where the China grapples with pressing issues like competition with the United States, the Russia-Ukraine conflict, and the more recent Israeli-Palestinian one, devoting diplomatic resources to mediate between Iran and Washington over the JCPOA revival appears even less appealing. Moreover, while a nuclear-armed Iran (or any other country in the Persian Gulf) would not benefit China, there are concerns that given China’s resumed tolerance of North Korea’s nuclear program, “China would be sanguine about Iran.”⁴⁰ China’s position on the JCPOA has been framed by the *Global Times* as “anti-hegemony and anti-bullying,”⁴¹ underscoring opposition to U.S. unilateralism and emphasizing fairness and justice in the international community. China believes that the U.S. should compromise and return to the JCPOA, having jeopardized it in the first place. However, if the U.S. and Iran were to reach a bilateral settlement outside of JCPOA negotiations, China might reassess its priorities.

Overall, Persian Gulf countries do not explicitly demonstrate a keen interest in designating China as a non-proliferation leader.⁴² “Regional states are open to civil nuclear cooperation with China, but China cannot deliver the incentives necessary for sustaining a nuclear agreement. Given that reality, it seems unlikely that China can unilaterally fill the void in current diplomatic efforts. However, there still may be some creative ways that China could support regional efforts through nuclear security or technology cooperation.”⁴³

37 “Readout from the Biden-Xi virtual meeting: Discussion with National Security Advisor Jake Sullivan,” *Brookings*, November 16, 2021, <https://www.brookings.edu/events/readout-from-the-biden-xi-virtual-meeting-discussion-with-national-security-advisor-jake-sullivan/>.

38 See, Lucille Greer and Esfandyar Batmanghelidj, “Last Among Equals: The China-Iran Partnership in a Regional Context,” *Wilson Center*, September 30, 2020, <https://www.wilsoncenter.org/publication/last-among-equals-china-iran-partnership-regional-context>; Jeremy Garlick and Radka Havlová, “The Dragon Dither: Assessing the Cautious Implementation of China’s Belt and Road Initiative in Iran,” *Eurasian Geography and Economics* 62, no. 4 (2021): 454-480, <https://doi.org/10.1080/15387216.2020.1822197>.

39 Interview with a US-based nonproliferation expert

40 Interview with a former official of the International Atomic Energy Agency

41 “Welcome President Raisi. China, Iran no need to watch attitude of US, West: *Global Times* editorial,” *Global Times*, February 14, 2020 <https://www.globaltimes.cn/page/202302/1285396.shtml>.

42 Interview with a US-based expert on Chinese foreign policy

43 Interview with a US-based nonproliferation expert

Regional countries might find China's longstanding endorsement of the right to the peaceful use of nuclear energy as established by the NPT, and its policy of non-interference and non-imposition regarding nuclear fuel cycle independence to be appealing factors.⁴⁴ As emphasized by one of the interviewees, "if China lowers the bar and eliminates hurdles states see as overly burdensome and provides competitive financing, it could become a leading contender for supplying nuclear technology."⁴⁵

Overall, it remains premature to determine if China is positioned to assume a leading role in supplying civil nuclear technology in the Persian Gulf. On the other hand, some regional states have shown a proclivity to use nuclear collaboration with China, whether actual or potential, as a political tool in their quest for diversification. According to one of our interviewees, "for Saudi Arabia, a more prominent Chinese role would be useful as a signal to the US that on this as well as other issues, KSA has workable alternatives that may be undesirable to stakeholders in the US nuclear community – and could serve as leverage for the US to reconsider a gold standard type of 123. The 'leaked' report about Chinese companies helping to explore uranium deposits in KSA was similarly useful, although since then, questions have been raised about the quality and commercial viability of extraction/processing." Iran, on its side, "would be more than happy to see a larger Chinese role given its conflict with the US. There have been grumbles about Russia's limited technology transfer (for example, delivery system and miniaturization), so a Chinese option – apart from continuing to provide diplomatic cover for Iran – could be seen as leverage. It is less doubtful, though, that the Chinese would be as keen as the Iranians given the previously mentioned geopolitical tensions and the ever-present risk of snapback sanctions." According to the same scholar, the UAE's reasoning is more articulated: although the Emiratis have signed MOUs with Chinese entities to expand nuclear cooperation, Abu Dhabi has more options in terms of current and future partners (e.g., South Korea and Russia) and, "relative to its Persian Gulf peers, the UAE is much more concerned to uphold its reputation for nuclear transparency through its gold standard 123 and funding the international fuel bank in Kazakhstan and while an increased Chinese role would be welcome in the context of broadening UAE-Chinese engagement, it is unlikely to be prioritized over reputational considerations."⁴⁶

44 Interview with a UAE-based expert on nuclear energy in the Persian Gulf

45 Interview with a US-based nonproliferation expert

46 Interview with a UAE-based expert on nuclear energy in the Persian Gulf

▶ China's civilian nuclear cooperation with Persian Gulf countries

Over the years, China has established itself as an emerging nuclear energy exporter, boasting 55 operable nuclear power plants at home with a 53,286 MWe capacity, 25 under construction, and 15 operable, under construction, or planned plants abroad.⁴⁷ China's transition to a fully closed nuclear fuel cycle based on fast breeder reactors and the successful launch of the Hualong One nuclear reactor, characterized by independent property rights and high international safety standards, has positioned it as a major player. China's 'go global' policy has spurred unique nuclear energy cooperation initiatives. Indeed, while Western nations may maintain a competitive edge in nuclear energy exports, China, alongside other rapidly advancing countries in the peaceful use of nuclear energy, holds a growing advantage.⁴⁸ In June 2015, Premier Li Keqiang stated, "We must be able to produce nuclear power equipment of the highest standards, best quality, and superb price-to-performance ratio for greater international competitiveness."⁴⁹ Li's comments underscore two significant aspects of China's nuclear energy diplomacy in the modern era: the strategic collaboration between China and its partner nations is underpinned by the nuclear energy industry, and, reciprocally, these partnerships bolster the export of nuclear energy enterprises. "Nuclear energy" and "diplomacy" thus work in tandem, mutually reinforcing each other as both objectives and means.

An example of this symbiotic relationship is China's Belt and Road Initiative. While a number of nuclear cooperation agreements in the BRI region entered into force, in 2016, the State-Owned Enterprise (SOE) China National Nuclear Corporation (CNNC) revealed its plan to enable the Chinese Hualong-One reactor to obtain 20–30 percent market share among more than 40 BRI countries by 2030, representing 30 reactors.⁵⁰ CNNC New Energy Corporation (CNNC-CNEC) has promoted this technology to the UAE, Saudi Arabia, South Africa, and Indonesia and has signed agreements with some of them.

In contrast to the "Gold Standard" interpretation of the 123-agreement found in the U.S.

47 "Nuclear Power in China," World Nuclear Association, last updated November 2023, <https://world-nuclear.org/information-library/country-profiles/countries-a-f/china-nuclear-power.aspx>.

48 Lin Boqiang, Nuri Bae, and François Bega, "China's Belt & Road Initiative Nuclear Export: Implications for Energy Cooperation," *Energy Policy* 142 (2020): 111519, <https://doi.org/10.1016/j.enpol.2020.111519>.

49 Feng Shuo, "Hualong One at the Back of Premier Li," *China Nuclear Industry*, no. 6 (2015): 1.

50 "China elevated its Hualong One nuclear reactor to the status of high-speed rails as China's "business card," meaning MOUs are signed, a framework is created granting the Chinese access to key decision-makers, and thus the door is opened for negotiations on other BRI projects." See, Samuel Hickey, "China's Nuclear Diplomacy in the Middle East," *The Diplomat*, October 9, 2018, <https://thediplomat.com/2018/10/chinas-nuclear-diplomacy-in-the-middle-east/>.

Atomic Energy Act of 1954⁵¹, China does not officially impose restrictions on a partner country's access to the complete nuclear fuel cycle as a condition for nuclear cooperation. While China may not be inclined to export enrichment technology, they do not explicitly declare this or foreclose the possibility of future collaboration in the nuclear fuel cycle. During the sixth ministerial meeting of the China-Arab States Cooperation Forum in 2014, President Xi Jinping outlined his strategic vision for energy cooperation, known as the "1+2+3" cooperation pattern. The first step pertains to energy cooperation primarily focused on oil and natural gas, the second encompasses infrastructure construction, trade, and investment facilitation, and the third involves high-tech collaboration in nuclear energy, space satellites, and new energy.

China Zhongyuan Engineering Corporation (CZEC) – the overseas nuclear project platform of China National Nuclear Corporation (CNNC) – has established offices in Iran, Saudi Arabia, Egypt, and Algeria, which demonstrates a degree of seriousness about its nuclear export intentions to the MENA states, and the Persian Gulf in particular, along the BRI.

51 "The U.S. Atomic Energy Act Section 123 At a Glance," Arms Control Association, September 2023, <https://www.armscontrol.org/factsheets/AEASection123>.

▷ Current and future trends in Chinese civil nuclear cooperation

Overall, China's nuclear cooperation remains limited as such cooperation still does not sit at the top of its priority list for the Persian Gulf. According to a UAE-based scholar, this is due to several interconnected reasons. First, structural reasons, where China has fewer world-class nuclear-related companies. Second, there is a lack of large-scale end-user demand in the Persian Gulf, where KSA is the only potential customer of note, and Chinese nuclear companies face stiff competition from Korean and Russian peers; Qatar and Kuwait are uninterested in civilian nuclear technology, and the Koreans have a close partnership with the UAE to expand beyond the four reactors at Barakah. Lastly, geopolitical tensions whereby the relatively limited business case to advance China's nuclear technology in the Gulf may not be worth ratcheting up already existing geopolitical tensions with the US.⁵² Yet, although market-related and geopolitical considerations do not project China as a nuclear-provider heavy-weight in the Persian Gulf, China remains highly interested in exporting nuclear power reactors (as said, Saudi Arabia is China's most plausible market) and potentially expand nuclear cooperation in non-energy-related fields such as scientific and medical research.⁵³ On paper, Persian Gulf countries are seen as key clients and customers to the Chinese third-generation reactors, with the export of nuclear technology being a key component of the BRI and part and parcel of the "1+2+3 cooperation pattern" with the Arab world. Therefore, "China hopes to expand its market share" in the region.⁵⁴ Yet, for instance, China's assistance to Saudi Arabia's nuclear program remains aspirational.

Reports have suggested that, because of the Kingdom's desire to develop a nuclear full-cycle independence and the US insistence on stricter safeguards, Riyadh might turn to China for a laxer non-proliferation approach.⁵⁵ To date, no statements have been released on China's potential offer in the development of the Saudi civilian nuclear program, suggesting, once again, that this not at the top of China's priority list. In fact, the existence of less sensitive, more straight-forward forms of lucrative cooperation with the Persian Gulf and the limited number of potential buyers has so far relegated nuclear diplomacy on the sideline of China's growing regional footprint. As noted by one of our interviewees, "China certainly has the capabilities in terms of corporate resources (research institutes, reactor designers and exporters, uranium extraction including from the sea and processing) and financial

52 Interview with a UAE-based expert on nuclear energy in the Persian Gulf

53 Interview with a US-based expert on Chinese foreign policy

54 Ibid.

55 Edward Wong, Vivian Nereim and Kate Kelly, "Inside Saudi Arabia's Global Push for Nuclear Power," *The New York Times*, April 1, 2023, <https://www.nytimes.com/2023/04/01/us/politics/saudi-arabia-nuclear-biden-administration.html>.

power to expand its nuclear cooperation with the Persian Gulf.” Furthermore, building and financing reactors would give China more influence in the region for decades to come, given the length of reactor projects.⁵⁶ Nonetheless, “whether China has the political will to push through its capabilities is another question: the relatively limited business case to advance China’s nuclear technology in the Gulf may not be worth ratcheting up already existing geopolitical tensions with the US. Chinese companies with an international footprint have largely preferred to avoid the risk of secondary sanctions: for instance, they have not made major investment forays into Russia post-2022 and could be wary of any future relaxation of sanctions on Iran that Chinese nuclear companies can leverage upon.”⁵⁷

Saudi Arabia

Saudi Arabia aims to create a comprehensive industrial chain encompassing uranium mining and enrichment, power generation, and seawater desalination, leveraging its substantial uranium reserves.⁵⁸ The China-Saudi joint exploration of uranium and thorium resources represents the inception of nuclear-energy cooperation between the two nations, laying the groundwork for collaboration in uranium resources, nuclear power, nuclear-fuel cycling, human resource development, nuclear energy for seawater desalination, and nuclear technology application by the China National Nuclear Corporation (CNNC). Coordination mechanisms and work groups have been established by the CNNC and various Saudi governmental entities, including the Department of Mineral Resources, King Abdulaziz City for Science and Technology, and the King Abdullah City for Atomic and Renewable Energy (K.A.CARE). During President Xi’s visit to Saudi Arabia in January 2016, an MOU was signed by Wang Shoujun, president of China Nuclear Engineering Group Co., and Hashim A. Yamani, president of K.A.CARE, for cooperation in constructing a high-temperature gas-cooled reactor (HTGR). CNNC also signed an MOU on uranium and thorium resources with the Saudi Geological Survey in March 2017, outlining exploration activities in Saudi Arabia.⁵⁹ Saudi Arabia plans to construct two large-scale nuclear reactors and a smaller one for seawater desalination, for which countries including China, France, Russia, South Korea, and the United States will bid.⁶⁰ Chinese enterprises

56 Interview with a US-based nonproliferation expert

57 Interview with a UAE-based expert on nuclear energy in the Persian Gulf

58 Ludovica Castelli, “Why Does Saudi Arabia Want to Acquire the Nuclear Fuel Cycle?” *Stimson Center*, March 3, 2023, <https://www.stimson.org/2023/why-does-saudi-arabia-want-to-acquire-the-nuclear-fuel-cycle/>.

59 “The Saudi King Witness Signing of Sino-Saudi MOU on Fourth-Generation Nuclear Power Cooperation,” *News Report*, January 21, 2016, <http://news.bjx.com.cn/html/20160121/703318.shtml>.

60 “Another Stride of Sino-Saudi Nuclear Energy Cooperation: Chinese Enterprises Marketing Fourth-Generation Nuclear Power to Saudi Arabia” *Yicai*, July 18, 2017, <https://www.yicai.com/news/5317911.html>.

are well-positioned to secure the bid, and China is prepared to provide nuclear power technology to Saudi Arabia. The HTGR, employing fourth-generation technology known for its safety, aligns with the requirements of countries along the Belt and Road initiative with medium- or small-scale power grids, including Saudi Arabia. In February 2018, K.A.CARE delegates visited China's Fuqing Nuclear Power Plant, expressing interest in further cooperation with CNNC on the nuclear-power industrial chain and personnel training.⁶¹ The two nations are set to engage in practical collaboration across various domains, such as the construction of K.A.CARE, uranium mining and exploration, nuclear-energy technology training, and nuclear power units. Additionally, China's ability to export small modular reactors (SMRs) is under consideration, with Saudi Arabia and Jordan showing interest in this technology. The construction of a uranium-extraction facility in Saudi Arabia by China is another aspect worth exploring.⁶²

United Arab Emirates

Cooperation between China and the UAE in nuclear energy, although initiated relatively late, has reached a high level of engagement. The UAE's interest in collaborating with China in the nuclear energy sector stems from its evolving energy needs. While the UAE possesses substantial crude oil reserves, its expanding population and economic transformation necessitate diversifying its energy sources, reducing pollution, and exploring nuclear and solar energy. The country is also positioning itself as a hub for new energy research and development. Xi Jinping's visit to the UAE in July 2018 marked the establishment of a comprehensive strategic partnership. During the visit, several agreements, including an MOU between the China National Nuclear Corporation (CNNC) and the Emirates Nuclear Energy Corporation, were signed to bolster industry and finance collaboration. The UAE seeks to foster a development pattern that enhances industry and financial cooperation, aligning with the Belt and Road Initiative and furthering Sino-UAE comprehensive strategic cooperation. However, challenges to the cooperation exist, including international competition

61 "Closer Sino-Saudi Cooperation in the Nuclear Power Sector," *Sohu*, February 24, 2018, https://www.sohu.com/a/223763984_100063272.

62 Warren P. Strobel, Michael R. Gordon, Felicia Schwartz, "Saudi Arabia, with China's Help, Expands Its Nuclear Program," *The Wall Street Journal*, August 4, 2020, <https://www.wsj.com/articles/saudi-arabia-with-Chinas-help-expands-its-nuclear-program-11596575671>.

in the nuclear energy market, particularly from South Korea, the United States, Russia, and France. China's nuclear cooperation with the UAE has so far been minimal - primarily focusing on nuclear safety and security standards - and will most likely stay so since the UAE has declared it won't build any more nuclear power plants until at least 2050. As also noted by one interviewee, it is difficult to imagine how Chinese companies would perform this function at Barakah due to lack of familiarity with the APR1400 and with potential security clearance issues.⁶³

Iran

Cooperation between China and Iran in the field of nuclear energy traces its origins back to the 1980s, marked by China's assistance in building the Esfahan Nuclear Research Center (ENRC) and proposing the construction of additional research reactors. After the withdrawal of French and German companies from Iran's nuclear programs, China played a pivotal role in revitalizing and completing these initiatives. According to John Garver, until withdrawing from nuclear cooperation in 1996-1997, China was Iran's most important nuclear partner.⁶⁴

In July 2015, just prior to the signing of the Iran nuclear deal (JCPOA), China National Nuclear Corporation (CNNC) and Iran's Atomic Energy Organization reached an agreement for the construction of the Makran Nuclear Power Plant. This period also witnessed the opening of a CNNC branch office in Iran. In January 2016, during Chinese President Xi's visit to Iran, a Memorandum of Understanding (MOU) on peaceful nuclear energy utilization was signed, signifying a new phase of collaboration between China and Iran.⁶⁵ Notably, subsidiaries of CNNC, namely the China Institute of Atomic Energy (CIAE) and China Nuclear Energy Industry Corporation (CNEIC), signed a commercial contract in Vienna in April 2017 with Iran's Nuclear Engineering and Construction Company. The contract primarily focused on the conceptual design of the Arak heavy-water reactor (IR-40) and related consulting services pertaining to preliminary design activities. Following the Trump administration's decision to withdraw from the Iran nuclear deal,

63 Interview with a UAE-based expert on nuclear energy in the Persian Gulf

64 Garver, *China and Iran*, p.139.

65 "China and Iran Sign MOU on Peaceful Uses of Nuclear Energy," The State Council: The People's Republic of China, January 23, 2016, http://www.gov.cn/xinwen/2016-01/23/content_5035545.htm.

long-term jurisdiction and unilateral sanctions were imposed against entities engaged in cooperation with Iran. These activities had initially been conducted under the JCPOA's supervision. In February 2022, the Biden administration waived sanctions related to Iran's civilian nuclear activities, allowing for some degree of cooperation to resume.⁶⁶ The collaboration in civil nuclear energy between China and Iran is potentially characterized by several unique advantages. Firstly, China respects the sovereignty of its partner nations, asserting that sovereign states not sanctioned by the United Nations have the right to develop civil nuclear-energy technology and establish programs for research, medicine, and power generation. Secondly, China has achieved proficiency in fourth generation Hualong One technology, coupled with a willingness to share nuclear facilities, fuel, technology, and experience and aid with nuclear personnel training to its partner countries. Thirdly, the nuclear programs facilitated by China are notably cost-effective, often requiring only two-thirds of the expenses associated with programs developed by advanced nations. China often provides financial support to the nuclear programs of its partner states, helping alleviate common funding challenges encountered by developing nations. Fourthly, China has displayed a degree of flexibility, while adhering to relevant regulations, particularly in the context of the Nuclear Suppliers Group (NSG). Nonetheless, China faces a significant challenge from Russian nuclear energy enterprises in Iran, particularly considering Russia's involvement in completing the Bushehr nuclear power plant, which is now connected to the grid. South Korea has also sought to enter this competitive market but has achieved limited success, securing a contract solely in the UAE. In summary, the longstanding cooperation between China and Iran in nuclear energy has experienced notable milestones and challenges. The potential resumption of cooperation following the waiver of sanctions is a noteworthy development, and it forms part of a broader competitive landscape that involves multiple international stakeholders.

Overall, as much as China does not appear on the verge of becoming a non-proliferation leader in the Persian Gulf, it is also unlikely to become the region's leading provider of nuclear technology. Other players are significantly better positioned. For instance, South Korea has a clear historical advantage and push more aggressively than China to expand its role as nuclear provider in the Persian Gulf, while the competition from the United States and Russia on nuclear power reactors is sharp and China is not necessarily capable of offering high quality products.⁶⁷ In fact, "SMR technologies are more economical and less

66 Humeyra Pamuk, "U.S. Restores Sanctions Waiver to Iran with Nuclear Talks in Final Phase," *Reuters*, February 5, 2022, [https://www.reuters.com/world/middle-east/biden-administration-restores-sanctions-waiver-iran-talks-final-phase-2022-02%2004/#:~:text=WASHINGTON%2C%20Feb%204%20\(Reuters\),Tehran%20enter%20the%20final%20stretch](https://www.reuters.com/world/middle-east/biden-administration-restores-sanctions-waiver-iran-talks-final-phase-2022-02%2004/#:~:text=WASHINGTON%2C%20Feb%204%20(Reuters),Tehran%20enter%20the%20final%20stretch).

67 Interview with a US-based expert on China's energy policy

risky safety-wise than the Chinese third-generation reactors.”⁶⁸ Furthermore, “the Arab Gulf states tend to plump for brand name cachets” and this mitigates against Chinese inroads, considering that the supposed lower price point offered by China technology does not seem a significant factor for Arab states. Notably, “if China and Russia’s Rosatom can find a way to collaborate on civilian nuclear projects particularly in the wider Middle East (for example, Chinese financing with Russian experience with reactor exports or joint SMR proposals), this could introduce a whole new ball game into the region.”⁶⁹

68 Interview with a US-based expert on Chinese foreign policy

69 Interview with a UAE-based expert on nuclear energy in the Persian Gulf



Conclusion

After decades of steady economic outreach and diplomatic engagement, China's mediating role in the rapprochement between Saudi Arabia and Iran has thrust it onto the central stage of Persian Gulf politics. While this suggests a growing and active Chinese engagement in the region's pressing diplomatic and security issues, starting with Iran's unresolved nuclear crisis to the rising nuclear ambitions of the UAE and Saudi Arabia, this report concludes that China's emergence as a nuclear diplomacy leader remains tentative for two reasons. First, despite successfully mediating between Saudi Arabia and Iran, China remains a diplomatic "follower" without strong ambitions, will, and sufficient incentives to lead complex, sensitive, and costly diplomatic endeavors such as promoting nonproliferation in the Persian Gulf. China's approach to the issue is expected to remain reactive and contingent, reflecting its comfort with the existing regional nonproliferation status quo. Second, regional actors, thus far, do not appear to view China as their primary partner in nuclear diplomacy, whether in terms of nonproliferation or as a provider of civil nuclear technology. In the realm of civilian nuclear cooperation, the China model showcases its policy of non-interference and non-imposition regarding nuclear fuel cycle independence, but also its being a relatively new player, thus benefitting from the absence of negative experiences in past instances of nonproliferation and disarmament, which could have undermined its credibility and trust. Nonetheless, China still needs to establish its credibility in exporting civil nuclear technology and demonstrate competitiveness against other leading suppliers, notably South Korea, the United States, and Russia, which, to varying degrees, retain a comparative advantage in the Middle East's nuclear landscape.

As nonproliferation remains a cornerstone of the international community and the Persian Gulf continues to walk on the edge of an unresolved nuclear crisis, Western policymakers must remain committed to prioritizing nonproliferation in the region and engaging with all the relevant local and international actors, including China. Western policymakers should continue welcoming, favoring, and facilitating regional initiatives and efforts towards nuclear nonproliferation. China's role in the Saudi-Iran rapprochement and China's rhetorical support for establishing a WMD-free zone in the Middle East suggest that if region-led processes reach enough momentum, the China will likely jump on board and offer its diplomatic weight to sustain regional initiatives. Moreover, it is fundamental that Western policymakers initiate and maintain a dialogue with Chinese counterparts to ensure a shared commitment to non-proliferation measures, irrespective of which country ultimately becomes the preferred partner for civil nuclear cooperation in the Persian Gulf. In other words, Western policymakers aim to establish a common understanding with Chinese counterparts that upholding non-proliferation standards is a paramount consideration. The importance of involving China in discussions and efforts related to nonproliferation reflects its unique capacities for regional mediation. For Western policymakers, such an engagement strategy on nonproliferation involves recognizing and capitalizing on China's economic ties, leveraging its growing diplomatic influence, and acknowledging the positive perception that regional countries hold toward Chinese leadership. Engaging China in discussions involves recognizing its economic clout and potentially aligning economic incentives with nonproliferation goals and the regional nonproliferation agenda, even if China is yet to take a leading role in defining that agenda.



Bourse & Bazaar Foundation

10 Queen Street Place

London, EC4R 1BE United Kingdom

www.bourseandbazaar.com