



[Iran and China Sign a 25-Year Cooperation Agreement in an Effort to Strengthen Their Economic and Political Alliance](#)

This week, China and Iran announced the signing of a massive bilateral trade and cooperation deal between the ruling regimes in the two countries, in an effort to strengthen their economic and political alliance. Among other things, the agreement calls for China to heavily invest a total of \$400 billion in Iran over a 25-year period. Dozens of Iranian sectors are set to see a windfall from this, including banking, infrastructure, health care, and information technology. In exchange, Iran will provide China with a regular supply of oil at a markdown price. The deal also calls for increased military cooperation, joint research, and intelligence sharing. Negotiations over the agreement have been taking place since 2016, when Chinese President Xi Jinping first broached the subject. In recent years, China has been seeking to expand its influence in the Middle East and offer an alternative to the American presence in the region. The agreement with Iran is the most serious example to date of this.

Critics of the Iran-China agreement have pointed to other deals signed by China with resource-rich nations that are overwhelmingly one-sided. In the cases of Sri Lanka and Kenya, China used their economic leverage to secure favorable agreements that don't benefit the other party. In the case of the Iranian deal, some experts have expressed concern that this is a similar ploy from Beijing, and China is solely interested in pillaging Iranian oil. Conversely, advocates of the deal argue that Iran is wise to partner with an economic power such as China, and the investment in Iran's economy is priceless.

The agreement with China sees Iran take steps to end the American-induced global isolation of its economy. Since the Trump administration withdrew from the JCPOA and reinstated sanctions on Iran in 2016, the country's economy has struggled. China has been a vocal ally of Iran at the United Nations and other international bodies, and criticized Western sanctions on Tehran. The Chinese investment in Iran will be a lifeline to several struggling sectors of the Iranian economy. In particular, the Iranian oil sector is restricted by Western sanctions, but the agreement with China will see Beijing import large amounts of Iranian oil.

Analysts have noted that China's support of Iran is a strategic ploy to increase Beijing's influence in the region. In addition to the agreement with Iran, this is evidenced by a multi-leg trip to the region by Chinese Foreign Minister Wang Yi, which included stops in Saudi Arabia, Turkey, and the UAE, among others. In recent years, China has sought to present itself as an alternative presence to the United States in the Middle East with a different set of policy goals. Beijing has offered to mediate long-standing disputes over the Iranian nuclear program and other issues in the region, including the Israeli-Palestinian conflict. China has tried to imply that American presence in the region has hindered peace and economic development, and Beijing is keen to offer an alternative vision for the Middle East. However, experts point out that the Chinese regime has been widely condemned recently for serious human rights violations and repressive policies domestically, and this deal with Iran is partly aimed at shifting focus away from that and expanding its external influence in the face of growing criticism.