



[China and Saudi Arabia Continue to Strengthen Relations](#)

The 10th annual Arab- China Business Conference began June 11th in Riyadh, Saudi Arabia as the Saudi and Chinese government continue to grow ties. The kingdom and China have already signed a series of notable business and government deals. The largest thus far, a \$5.6 billion agreement between Saudi Arabia's Ministry of Investment and the Chinese electric car maker Human Horizons, aiming to expand cooperation and collaboration within the automobile industry. This deal contributes to the \$10 billion in agreements made on the first day of the conference alone. These bilateral initiatives account for almost all sectors of the economy, particularly non-oil related, in attempts to diversify the Saudi economy. With the total trade volume between the two states amounting to \$430 billion by the end of 2023, the conference holds the potential for more large-scale deals in the upcoming week. The event itself, occurring days after the U.S. Secretary of State Antony J. Blinken visited Saudi Arabia with efforts to improve strained U.S.- Saudi relations, signals a more significant shift of Saudi Arabia's cooperation towards China and away from Western powers.

Endeavors into non-oil sectors serve the primary purpose of Saudi Vision 2030, the kingdom's plan to diversify its economy to finance infrastructure and development projects successfully. One vital aspect of this is the tourism industry, with China serving as a central partner within this plan. In 2019 China ranked first in the global contribution to the supply of tourists; investments by both states towards this initiative bear various cultural and economic benefits. With Saudi Arabia aiming to bring in \$46 billion in tourism revenues, several incentives to Chinese tourists have been implemented, including improving visa processes, air travel, and marketing the kingdom on traditional Chinese media sources and social media platforms. Aspirations of these tourists contributing to the local Saudi Arabian economy desire to be mutually beneficial to Chinese investors and government officials as the travel eventually begins to flow both ways between the two states.

In light of these recent business deals, a larger pattern of China's investment in the Arab World is observed. As China's President Xi Jinping remarked on his visit to Saudi Arabia this past December, these current efforts between China and Saudi Arabia reflect a "new era of cooperation" between China and the rest of the Middle East. This increase in China's investment is also mirrored by China's similar interests in Iran, the UAE, and Egypt; as of 2021, China had a total of \$23 billion invested in various Arab states. These countries, alongside Saudi Arabia, have recently attempted to join the BRICS group, indicating further large-scale desires for Chinese collaboration and cooperation. China also served as a mediator in brokering a deal between Saudi Arabia and Iran earlier this year, reopening the Iranian Embassy after seven years of no diplomatic interaction. The ability to bridge this connection between two previously opposing powers is a testament to China's regional capabilities. This investment extends beyond financial affairs and into the socio-political happenings within and between Middle Eastern states. Initiatives extend to the increase in Mandarin language programs within Saudi Arabia, as it is now displayed on airport signs at Riyadh's airport. Previously this week, Chinese Premier Li Qiang met with

Palestinian President Mahmoud Abbas to expand diplomatic relations and announce the formation of a “strategic partnership,” extending far beyond China’s financial contribution to Palestinian efforts. China is cementing its stronghold within all aspects of the Arab world. This, coupled with the continued diminishing presence of the United States, leaves an opportunity to fill the vacancy.

Yet, whether or not China will rise to the same level of power as the United States within the Middle East remains in question. Currently occupying the role of a neutral trading partner, the future potential for China to start intervening in domestic state issues is up for contention. This current position remains beneficial for China, as it allows for the continued expediting of business deals without fear of meddling in political affairs, as demonstrated in Riyadh this past week. Instead, a continued road of collaboration between China and Arab states remains the current favorable course of action to advance mutually beneficial agreements and relations. As Saudi Arabia continues embarking on oil output cuts and large-scale project investments, the power dynamic and development between the kingdom and China will determine the next generation of political dealings within the Middle East.