China’s increasing interest in the Middle East

What is the issue?

\n\n

\n
- The imminent rise of China will see it taking more interventionist stands in the Middle-East.
\n
- The potential consequences of such actions for India demand a greater scrutiny into the developments.
\n

\n\n

What are the precedents?

\n\n

\n
- **Britain** manipulated the politics of the tribal Middle East in the early part of the 20th century to secure its oil needs.
\n
- In 1911, when Winston Churchill, argued for substituting oil for coal as the fuel for the British Navy, the cabinet was reluctant.
\n
- This was because Britain had an abundance of coal but no domestic oil, and a shift to oil would expose the navy to the vagaries of international oil supplies.
\n
- Churchill argued for the economic, logistical and strategic advantage that oil provided and even proposed a road-map for securing supplies through a combination of diplomacy and hard power.
\n
- This vision led to the birth of the ‘Anglo-Persian oil company’, and also marked the beginning of the Oil Era.
\n
- **USA –** Post the 2nd World War, America emerged as the dominant global political, economic and military power.
\n
- As oil supplies were crucial for sustaining all these, America often sidestepped the liberal principles that it championed.

\n
- It allied with monarchs and despotic dictators in the middle-east in line with what suited its personal interests.
\n

\n\n

What is China’s energy status?

\n\n

\n
- Nearly 50% of China's oil import is sourced from the Middle East, mainly Iraq, Iran and Saudi Arabia.
\n
- China has been investing heavily in alternative energy resources to overcome this oil dependency.
\n
- Long-term gas supply deals with Russia, Central Asia and Australia have also been worked.
\n
- There are focussed efforts on the improving renewable resources and nuclear power.
\n
- Despite this diversification, oil imports are increasing due to the surge in demand for oil-fuelled vehicles.
\n

\n\n

What are the current political moves?

\n\n

\n
- China is increasingly getting pro-active in international politics.
\n
- It has been adopting a low profile in the Middle East by avoiding any active power politics.
\n
- However, the dependency on oil imports increases the chances for its interventionist stance in the Middle-East.
\n
- Recently, it unleashed a slew of initiatives including aligning with Iran in supporting President Bashar-al-Assad of Syria.
\n
- Also, King Salman of Saudi Arabia was invited to Beijing recently and multiple agreements were signed.

\n
- There has also been a speculation that China was interested in picking up a stake in the Saudi national oil company, Aramco.
\n

\n\n

What are India’s concerns?

\n\n

\n
- India has major strategic interests in the Middle East with its high dependence on the Middle East for oil needs.
\n
- Also, there are about 8 million Indian citizens working in the region, remitting around $70 billion annually.
\n
- China’s increasing presence and influence may lead to massive logistic and financial challenges for India.
\n

\n\n

\n\n

Source: Indian Express

\n\n

\n