



Hearing: China and the Middle East

April 19, 2024

Opening Statement of Commissioner Jonathan Stivers

Thank you, Commissioner Friedberg. Good morning. I would like to thank everyone for joining us and thank our witnesses for the time and effort they have put into their testimonies.

Today's hearing will examine the economic, diplomatic, and security dimensions of China's engagement with the Middle East, and their implications for U.S. interests in the region. Though a place of immense diversity, complexity, and cultural richness, conflicts and sectarian strife continues to afflict this part of the world and test U.S. global leadership. While the U.S. security architecture ensures the region is more stable than it otherwise would be, policy decisions and approaches over the last few decades have fueled a negative view of the United States and undermined our influence in the region.

Sensing opportunity, China has engaged with the region largely to achieve self-serving economic interests while free-loading on a U.S.-led system that secures those vital interests, namely freedom of navigation for its trade routes and access to energy resources. We know China sources roughly half of its imported energy from the region. Chinese state-owned and influenced companies have invested in critical port infrastructure and economic zones, lodging themselves in key arteries of global trade. While Belt and Road funding has declined globally in recent years, in the Middle East it has remained substantial. China has also sought to leverage its own vast consumer market to lock in discounted rates from Middle East suppliers, especially in Iran, and exert pressure for favorable terms on contracts and joint ventures.

Perhaps more troubling, the Chinese government is providing support to its exporters, especially its well-known Chinese technology companies, to consolidate their presence in Middle East markets through what it calls its "Digital Silk Road." Huawei is a leader in building 5G telecommunications networks in several countries that also host U.S. forces including Saudi Arabia and the United Arab Emirates. These networks risk espionage, coercion, and stronger government control and surveillance as "Digital Authoritarianism" becomes more of a feature in the region and tramples the rights of the people.

Each witness that will testify today will say that access to energy resources is China's top priority in the Middle East. I think that's generally true but, as with most issues related to China, there are inherent contradictions in the actions of the Chinese government and its state-led entities. If access to energy resources was, far and away, the top priority, then they would not be empowering destabilizing forces in region. They would be taking more significant action to resolve conflicts, and, at minimum would be using their influence with Iran to secure essential shipping lanes from Houthi militias.

Many of our witnesses will note that China is slowly building its own alternative system even as they benefit from the current U.S.-led international system. Make no mistake, China prefers to see the U.S. continue to be bogged down in Middle East conflicts. The Chinese government is not interested in contributing to the

collective security and diplomatic efforts to bring stability to the region or to exert influence to alleviate tensions in times of crisis, such as the moment in which the region currently finds itself.

Today, we will not only seek to understand the motivation of the Chinese government but will scrutinize the implications of Beijing's long-term strategic aims for the interests of the United States and its partners and allies.

Middle Eastern countries will need to exercise agency to bring about long-term stability that will serve as the foundation of shared prosperity. This is a region fast cementing itself as a leader in emerging technologies like clean hydrogen, water desalination, and artificial intelligence. The ambitions exemplified in architectural marvels like the Burj Khalifa in Dubai or the planned futuristic city NEOM on the Red Sea are matched by the desire of populations across the region to have lasting peace, a say in their government, and build dynamic industries free of exploitative one-way trade relationships. This Commission looks forward to hearing from our witnesses today and in discussing actionable recommendations for the Congress.

Before we introduce our first panel, I would like to remind our audience that witness testimonies and the hearing transcript is available on our website, www.uscc.gov. Our next hearing, examining U.S. economic strategy in relations with China, will take place on May 23rd.