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Mohammed Soliman
Director, Strategic Technologies and Cyber Security Program at the Middle East Institute

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Hearing on "China and the Middle East"

Chair Cleveland, Commissioners Friedberg and Stivers, and Honorable Members of the Commission,

Thank you for the opportunity to discuss China's energy, investment, and economic interests in the Middle East. My name is Mohammed Soliman, and I am the Director of the Strategic Technologies and Cyber Security Program at the Middle East Institute. Founded in 1946, the Middle East Institute is the oldest Washington-based institution dedicated solely to the study of the Middle East. It is a non-partisan think tank providing expert policy analysis, educational and professional development services, and a hub for engaging with the region's arts and culture.

At the Middle East Institute's Strategic Technologies and Cyber Security Program, we study how emerging technologies are impacting the region, analyze the rise of China as a technology superpower, and seek to open up opportunities for new technology cooperation between the U.S. and leading regional actors. Myself and the other scholars in the program have been deeply engaged in studying and analyzing the technology Cold War and the decoupling between the U.S. and China as new geopolitical fault lines emerge based on technology networks and the flow of information. This has critical implications for the Middle East as the region seeks to become an inflection point for the new digital order and a key arbiter in building the global digital architecture.

Before I begin, I will first say that the views and opinions expressed in my testimony are my own, and should not be taken as official positions of the Strategic Technologies and Cyber Security Program nor the Middle East Institute as a whole. Now, on to today's topic.

Throughout these opening decades of the 21st century, China has steadily expanded its presence in the Middle East. Although it has traditionally focused its engagement with the Middle East primarily around economic and energy interests, Beijing is increasingly becoming involved in the region's political and security matters, technological landscape, and broader strategic direction.

China's relationship with the Middle East – and vice-versa – is linked to its broad-spectrum global competition with the United States, which has increasingly transformed into a great power rivalry. In the field of technology, this has sparked growing discussions and accumulating steps on both sides toward "technological decoupling" — a reduction in asymmetrical reliance or interdependencies and, in some cases, a complete severing of their ties in the technology and cyber spheres. With the acute impacts of this process between the two superpowers becoming clearer, the Middle East is slowly emerging as an important region to watch. Economic and geopolitical ties with the West have long dictated the shape of the region's technological

ecosystem, but the rise of great power competition and Middle Eastern countries' pursuit of economic and technological sovereignty have slowly deconstructed these dynamics.

The return of great power competition is clearly relevant to the new orientation of Middle Eastern countries - particularly Gulf state actors, including the UAE and Saudi Arabia - yet I want to emphasize that the movement of the Gulf states' attention to the East represents a broader shift of the global order's center of gravity to Asia that goes beyond great power competition.

The implication of this 'Asianization' of Middle Eastern states is that, while China's share of geoeconomic power is undeniably important, it is precisely the geopolitical risks and baggage that China carries in its competition with the U.S. that Middle Eastern states wish to avoid. Instead, their more central interest in asserting their sovereignty and autonomy in areas including critical and emerging technologies drives their Eastward orientation.

At the same time, the proliferation of issue-based partnerships and minilateral formats – the I2U2, the France-India-UAE Trilateral, and the India-Middle East-Europe Corridor (IMEC), to name a few - reflects the perceived importance of linking the Middle East and South Asia and the Arabian Sea with the Indo-Pacific, as well as forming an interconnected transregional economic order, in a manner that includes the U.S. during this process of Asianization.

Although China's relationship with Middle Eastern states is primarily evolving beyond its energy-centric past, the flow of technological elements such as telecommunications, advanced batteries, and high-capacity computing tools is very much from China to the region, not the other way around. While countries like Saudi Arabia and the UAE are certainly aiming to develop their own domestic abilities to manufacture and export similar items, they are still in the early stages of this process. Moreover, their ambitious timetables for creating cutting-edge, technologically advanced economies and societies necessitate the immediate procurement of ready-to-deploy infrastructure such as Huawei cloud data centers. Sovereign wealth funds across the Gulf are investing billions of dollars in Chinese telecommunications, EV battery, and AI companies not only to diversify their holdings but to supercharge their own growth.

The large-scale use of export controls by the U.S. against Chinese firms to contain the latter's development of advanced computing technologies puts some Middle Eastern states in a delicate position: walking the fine line between obtaining the hardware needed to construct emerging technologies like artificial intelligence while complying with the American desire to not see such hardware or technology fall into Chinese hands. The U.S. itself is also in a delicate position with respect to export controls: If we prevent Middle Eastern states – particularly Gulf states – from accessing critical tech products like AI chips due to concerns about such states' warm relations with China, we risk not only alienating our critical partners in the region, but driving them further towards China. Again, Middle Eastern governments see advanced technology as essential to their national development pursuits, and such export controls could cause officials in these governments to perceive the US as sabotaging their futures. In the end, they will not hesitate to purchase exactly what they require, be it from China or the US.

Recommendation for the Commission here

I propose the following actions be taken by the United States:

First, the United States and its Middle East partners stand to benefit from one another in these joint technological endeavors. The U.S. should explore these benefits without viewing its partners in the region solely through the lens of great power competition.

Second, launching a technology dialogue creates a coordination mechanism for compliance and licensing for critical technologies. While the United States seeks to expand its export controls in areas from AI to biotechnology, such regulations should be constructed and managed in coordination with Middle Eastern partners. A coordination mechanism of this kind would signal to the U.S.' partners in the region that there is a shift in our perception of their strategic importance.

Third, the United States should propose establishing minilateral academic working groups to further the efforts previously outlined. I recommend that these working groups draw from multidisciplinary talent for collaboration on the refinement of benchmarks used to evaluate competencies of state-of-the-art AI systems in commercially sensitive subfields, including Natural Language Processing and Computer Vision.

Finally, the United States should also establish scientific collaboration through working groups and workshops to construct a research agenda and finance joint scientific projects. While the big-data approach embodied in systems like OpenAI's ChatGPT will continue to have its potential scoured by researchers around the globe, non-negligible inefficiencies in hardware, data, and energy requirements should be mitigated in the long-run.

The United States and its Middle Eastern partners stand to benefit from one another in these joint technology efforts. The U.S. should explore these benefits without viewing its partners in the region solely through the lens of great power competition.