

The Impact of the US-Iran Conflict on East Asia and China

By Pan Guang

Abstract

One possible effect of the US-Iran conflict is that Sino-US cooperation in the Middle East might be enhanced, this paper argues.

The United States-Iran conflict somehow strengthens the cooperation among China, the European Union (EU) and Russia, who, in an attempt to prevent the situation in the Gulf from getting worse, have been seeking to persuade the US to come back to the framework of the Iran nuclear deal. Some Asian states like Japan and India have also been trying to help resolve the conflict through mediation.

Getting oil and gas would not be a big headache for China and the rest of East Asia so long as the Strait of Hormuz remains open. For example, even if oil imports from Iran decreases, China can still get enough of it from Saudi Arabia, Qatar, United Arab Emirates, Iraq, Oman and some other countries, with Saudi Arabia and Qatar being its greatest suppliers of crude oil and liquefied natural gas (LNG) respectively. For instance, China National Petroleum Corporation (CNPC), China National Offshore Oil Corporation (CNOOC) as well as China National Petrochemical Corporation (Sinopec), operate smoothly in Iraq, from which China buys around 20 million tonnes of oil on a yearly basis. Even if access to the Hormuz Strait is cut off, the land pipelines from Russia and central Asia, as well as the maritime transport from Australia and southeast Asia to China and east Asia, are still able to supply enough resources.

What really matters is the US' unilateral sanctions. While China and other east Asian states, before the signing of the Iran nuclear deal, supported the sanctions imposed by the United Nations on Iran, some of them, like China, opposed the unilateral sanctions imposed by the US. Almost all countries lifted sanctions on Iran after the Iran nuclear deal was secured in 2015. Now, in view of the fact that the US re-imposed the sanctions and integrated the imposition into domestic law, it is time for companies which have business in both America and Iran to make the choice — whether to leave Iran or to leave America. Some Chinese companies left Iran 10 years ago in the face of the same situation; however, some of them might choose to leave the US this time due to the China-US trade war.

The effect of the US-Iran conflict is that Sino-US cooperation in the Middle East might be enhanced. They currently cooperate in the region in five areas, namely the reconstruction of Iraq, the stability and security of Egypt and Lebanon, the peace talks between the Israelis and Palestinians, reconciliation among the Gulf Cooperation Council Member States, especially between Qatar and Saudi Arabia, and the fight against radical jihadists and pirates. In the near future, without China's cooperation, the US may not be able to find possible solutions to the North Korean nuclear issue and carry out military withdrawal from Afghanistan. It is probable that, due to the US-Iran conflict, China and the US may find another new area for cooperation in the Middle East, even in the world.

About the Author

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