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Bachelor thesis:

**Reviving Sino-Arab relations through
the Belt and Road Initiative (BRI)**

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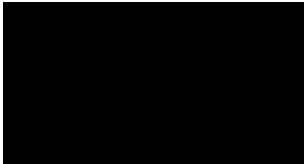
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Management Summary

China's involvement in the Middle East steadily increased after it instituted economic reforms in the late 1970s. Now, China has a strong presence in the region; this has been further strengthened by the establishment of the Belt and Road Initiative (BRI), the flagship foreign policy initiative of Xi Jinping, the president of the People's Republic of China (PRC).

The objective of the current thesis is to analyze how China appeals to other countries through soft power in the context of the BRI. To this end, the thesis examines the BRI through debates on soft power in International Relations (IR). It takes Egypt and Saudi Arabia as a case study to assess the extent of soft power instruments used in these states.

A literature review and expert interviews were conducted to address the aforementioned objective. The literature review elucidates the major IR theory of realism and the concept of soft power and its applicability to China's BRI. The expert interviews support a holistic interpretation of the findings by confirming or complementing them in the analysis section and providing further insight on challenges associated with the BRI and China's future relationships with Egypt and Saudi Arabia.

The results of the analysis show that soft power plays a vital role in the BRI, but it is rather limited in Egypt and Saudi Arabia. As states like Egypt and Saudi Arabia strive to improve social welfare, their eagerness allows China to use the BRI to further this ambition. As commonly voiced, the aim of the BRI is to seek common ground while setting aside differences for prosperity to attract other nations to take part of the BRI and to make China as an attractive partner. In the context of the BRI, China deploys soft power in the political, economic, and cultural spheres. Based on the five cooperation objectives of the BRI, it can be established that the philosophy surrounding the policy of noninterference and neutrality is attractive to Egypt and Saudi Arabia in the political sphere. Moreover, economic soft power tools are also apparent in the BRI. According to the analysis, building partnerships on a win-win basis and leveraging participants to foster development are effective instruments of China's soft power. Moreover, the BRI promotes people-to-people exchange, which falls within the domain of culture and can be seen as a catalyst for soft power. Although China is starting from a low base, people in the Middle East are becoming more culturally aware of the country through BRI-

funded projects developed under the priority of people-to-people bonds (e.g., Confucius Institutes and other educational exchange programs). The paradigm that China seeks to create is apolitical, development-focused, and favorably distinguishable from that of rival powers. China's conduct on the international stage, which emphasizes multilateralism, neutrality, and noninterference, is intended to bolster this paradigm and portray China as not only benign but also a responsible global leader in the Middle East.

This study contributes to the existing literature on China's soft power strategy and provides a basis for understanding China's charm strategy towards the Middle East through the BRI. Furthermore, this work lays the foundation for future research on China's application and interpretation of soft power through the BRI. There is a clear need for further research on new developments in upcoming years to assess whether China's promises will bear fruit for the countries involved and whether China's influence in the Middle Eastern region will increase or decrease.

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List of Abbreviations

AIIB	Asian Infrastructure Development Bank
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, India, China and South Africa
Covid-19	Coronavirus 2019
CPC Congress	Congress of the Communist Party of China
DSR	Digital Silk Road
ECU	Egyptian Chinese University
EU	European Union
FDI	Foreign Direct Investment
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
IBRD	International Bank for Reconstruction and Development
IMF	International Monetary Fund
IR	International Relations
KSA	Kingdom of Saudi Arabia
MFA	Ministry of Foreign Affairs of the People's Republic of china
MNE	Multinational enterprise
MoU	Memorandum of Understanding
MSRI	Maritime Silk Road Initiative
NDRC	National Development and Reform Commission
NGO	Non-governmental organization
OBOR	One Belt and Road Initiative
PPP	Public-Private Partnerships
PRC	People's Republic of China
RMB	Renminbi
ROC	Republic of China (Taiwan)
SCZone	Suez Canal Economic Zone
SOE	State-Owned Enterprise
SREB	Silk Road Economic Initiative
TEDA	Tianjin Economic-Technological Development Area
U.S.	United States
UAE	United Arab Emirates
UN	United Nations
UN SDGs	United Nations Sustainable Development Goals
WHO	World Health Organization

1 Introduction

As China's economy has gradually risen over the last two decades, its role as a global leader and the world's second largest economy has led the country to pursue a more focused and aggressive foreign policy. China has made extraordinary strides because of structural changes and a change in outlook in dealing with other nations, and it has become one of the world's most influential competitors on the international stage (Weissmann, 2015, p. 151). China is currently forming strong alliances all over the world, especially with Middle Eastern countries, where Chinese investment has increased significantly (Scobell et al., 2018, p. 160). In 2013, China surpassed the United States (U.S.) in yearly crude oil imports, becoming the global largest net importer of crude oil (Keck, 2013), with the Middle East accounting for roughly half of its supply (World's Top Exports, 2021) (Al-Tamimi, 2019). The Middle East is critical for the development of the BRI, the world's largest infrastructure and trade project, as a major center for trade routes and sea lanes connecting Asia with Europe and Africa (Al-Tamimi, 2019). China is widening its interests and increasing its influence in the Middle East by establishing connections with all Middle Eastern governments (Romana, 2017, p. 2).

As a result, China's approach permits it to become more active on the international scene and to build various platforms for enhanced cooperation with the Middle East, such as through the BRI (Zaamout & Houlden, 2019, pp. 4–5). Although the initiative supposedly represents a win-win situation for involved countries, it also presents many uncertainties and potential concerns which have led to different opinions, ideas, and discussions on China's motivation behind the BRI. It could be argued that the BRI has become China's most important geopolitical tool to build soft power to ensure its national interest and to influence the countries involved (Bryman & Bell, 2015). The concept of soft power in IR has been increasingly important for states to carry out their national interests in the global arena and influence the behavior and decisions of others. China could also be motivated to use soft power by its ambition to challenge the U.S. dominance in the Middle East. In this regard, the BRI not only boosts global connectivity and trade, but it could also establish an economic structure independent of Washington (Al-Tamimi, 2019). While the U.S. had a key role in building the Middle Eastern order after World War II, its presence in the region has waned in recent decades (Mashino, 2020, p. 1). As China's

presence in the region deepens, it strives to preserve political neutrality in the face of regional tensions and controversies, especially by relying on soft power resources.

1.1 Research Question

The growth of China in the twenty-first century has had a profound influence on world politics and economic structure. The Chinese government sought other ways to increase its international communication, discourse, and other elements of soft power. In recent years, China has captivated the world's attention by shaping the global agenda, as shown by the BRI. It has brought in a new way of viewing the world through the Chinese lens (De Bao, 2016). Many experts have defined the BRI as a vehicle for soft power, with the goal of institutionalizing China's soft power position in the world and creating harmony with the rest of the world (Sharma & Khatri, 2019). Critics argue that China exercises its soft power through the BRI, but the questions arise by how much and how do they exercise their soft power through the BRI? Therefore, this thesis aims to shed light on this from the perspective of debates on soft power within IR. This bachelor thesis analyses how China appeals to other countries by utilizing soft power through the BRI. By employing a behavioral and contextualized explanation for soft power, this thesis tries to reveal how much soft power is used through the BRI in the Middle East region. For the purpose of this study, it has taken Egypt and Saudi Arabia as a case study.

In order to present a critical analysis of the BRI in the Middle East, this thesis will consider the following question – *How much soft power is involved in China's Belt and Road Initiative (BRI)?*

1.2 Relevancy and Contribution

Most of the existing research on China's soft power strategy focuses mainly on Africa, Southeast Asia and Latin America. In particular, the complex relationship between China and the Middle East is not yet fully understood and there is also a scarcity of study on focusing on China's soft power strategy in the Middle East. Based on Dia-Eddine's theory (2017) on the strategic relation between China and the Middle East, China has a major geopolitical downside. It lacks geopolitical depth when considering its growth capacity, population, and market size, as well as when finding adequate resources to support this development. Furthermore, China is facing severe competition from the U.S., India, and

to a lesser degree, Russia. The Middle East on the other hand has a unique geographical location, a comparatively large and increasing population, and is rich in natural resources. However, a lack of access to banking, technology, goods, and investments needs is hampering more than half of the countries in the Middle East. Therefore, the Middle East countries need a balanced position between the major powers. Any relationship between China and Middle Eastern countries is inherently complementary, filling the strategic and geopolitical gaps of both sides. The question, however, arises as to how to balance this relationship. The question for China is also how to raise its attractiveness compared to other parties involved in the Middle East such as the U.S., Russia, and European Union (EU), and also how it can be kept stable so that it can be sustainable for China. On the other hand, the dilemma for the Middle East is whether China can be regarded as a reliable ally in the event of disagreements with old allies, and to what extent China differs from previous models of colonialism. With the changing global order, it is critical to have an understanding of how regional dynamics are changing with new players like China in the Middle East.

The significance of this study will be its contribution to research on the soft power aspect of the BRI. This thesis shows China's drive to exercise its soft power through the BRI, particularly in the Middle East region, and it can be argued that the insights gained from this study will support the future development of research and the work of policymakers. The BRI also shows that the concept of soft power, applied to the BRI, remains analytically vague. Therefore, research on the shaping of China's image or attractiveness not only contributes to an interpretation of China's disclosure, but it also preserves the possibility of enriching soft power theory overall.

2 Methodology

The starting point of the analysis is the theoretical explanations of the concept of soft power and the relevant theories that form the basis of the analysis. In this chapter, the methodological procedure will be explained. The research question is investigated through data collection in the form of an expert interview, using a guided interview technique, with subsequent analysis. The empirical method of qualitative interviews based on interview guidelines seems to be a suitable method for research in the fields of

Political Science and IR. The expert interviews not only focus on the research question, but also provide additional knowledge about Sino-Arab relations.

2.1 Literature Review

In order to obtain a theoretical basis, the first step is to conduct a literature review to understand the realism concept of IR and soft power theory and subsequently the BRI. According to Kumar (2010, p. 399), information extracted by the researcher from existing literature is referred to as secondary data and accordingly the source that provides the data is referred to as secondary source. Using this type of source for this thesis provided several advantages. Owing to the university's electronic library, it was possible to access literature from a various of databases and to conduct in-depth review. Another advantage of using secondary sources in this case was the generation of new insights into existing information. According to Häder (2015, p. 15) theories are characterized by the fact that they have already been proven in practice. They have an empirical truth content but are not necessarily free of errors. It is therefore the task of science to verify, improve or further develop theories.

The table below summarizes the most significant and regularly commonly used references for this research.

Category	Sub-category	Criteria for selection	Purpose	Main sources
Mass media	Websites and newspaper articles	Reliable media	Gathering information about the projects, different opinions, and statements	The Diplomat, Xinhua, Arab News, The Economist, ChinaDaily, Egypt Today, Middle East Monitor, Aljazeera, Gov.CN (State Council the People's Republic of China), CGTN
International publications	World bodies	Reliable and unbiased information	Availability of reliable data	World Bank, Central Bank of Egypt, CEICdata, Statista, Reuters, Global Investment Tracker, Global Data, World Data, Refinitiv, Central Bank of Egypt, Human Rights Watch, OEC.World

Reports of committees and commission	Forums	Official site	Gathering first-hand unanalyzed information	One Belt, One Road official English forum
Research institutes	University based	Availability of reliable data	Gathering data on various topics	CSIS Center for Strategic and International Studies, Arab Center for Research & Policy Studies, CSS Analyses in Security Policy, ETH Zürich
Scholarly article	Descriptive journals	Peer reviewed	Gathering ideas for theoretical explanations for discussions	Chen Juan (2018), Bräutigam & Xiaoyang (2011), Yu Hong (2017), Li & Worm (2011)
Books	Factual books	Author specific	Theoretical explanations	Scobell & Lin (2018), Yuan & Xing (2019), Nye Joseph (2011), Blanchard Jean-Marc F. (2021), Chaziza Mordechai (2020)
Private publications	Management consulting firms	Accreditation	Gathering on-site insights	McKinsey & Company, Kurlantzick (2020), The Herald (2018)

Table 1: Overview of Selected Literatures (own illustration based on Kumar, 2010, p. 163)

2.2 Qualitative Research Method - Interviewing

According to Jamshed (2014), expert interviews are the most commonly used data gathering format in qualitative research. In science, experts are used as “mediators”, to contribute directly to the production of new knowledge (Gläser & Laudel, 2010, p. 12). Moreover, they contribute to the generation of area-specific and object-related statements (Scholl, 2009, p. 69). Based on Oakly (1998), qualitative interview is considered as a form of framework through which practices and standards can not only be captured but also acquired, challenged, and strengthened. According to Jamshed (2014), there is no research interview without a structure. According to him, most qualitative research interviews are conducted in three ways: semi-structured, slightly structured or in-depth. When conducting long-term fieldwork, unstructured interviews are usually recommended as they encourage respondents to express themselves in their own way and at their own pace, with little influence on respondents’ answers.

For this thesis the semi-structured interview as described by Lampard and Pole (2016), seems to be an appropriate method, as structuring it though an interview guide allows to keep orientation during the interview and also to narrow down some areas of the topics.

The fact that the interview is not fully structured makes it possible to talk about the expert's opinions and experiences in a non-restrictive way.

The experts selected for this work are either in politics or academia. Since the research takes Egypt and Saudi Arabia as a case study, experts from these two countries were selected, as well as other experts from Europe but working in the field of science with a focus on the Middle East region. Experts from different countries were deliberately selected so that the results could be obtained from different perspectives. A total of six expert interviews took place. Data collection is done through expert interviews to gain qualitative empirical insights, followed by the analysis of the results, which identifies and compares similarities and differences between the statements and incorporates new findings into the analysis.

2.3 Expert Selection

The selection of experts was made carefully, as it is important that the expert fits both the overarching research question and the research field. The experts were selected according to their respective positions, as the research topic is in the field of International Relations and Political Science.

Table 2 provides a summary of the interviewees and their respective professional positions. The interviews were recorded and transcribed, which can be found in the appendix 1-6.

No.	Name	Position	Interview Type	Length
1	Dr. Lisa Watanabe	Head of the Swiss and Euro-Atlantic Security Team of the Think Tank at the Center for Security Studies (CSS) at ETH	Video call / Zoom	38 min.
2	Dr. Christian Hanelt	Senior Expert Europe, Neighborhood and the Middle East	Video call / Zoom	30 min.
3	Dr. Christian Koch	Director of the Gulf Research Center Foundation in Geneva, Switzerland	Video call / Zoom	40 min.
4	Prof. Dr. Chahir Zaki	Associate Professor of Economics of Cairo University	Video call / Zoom	37 min.

5	Dr. Hisham Seifeldin	Assistant Minister of Foreign Affairs for the Americas at Ministry of Foreign Affairs in Egypt	Video call / Zoom	38 min.
6	Dr. Julia Gurol	Postdoctoral researcher and lecturer at the Chair for International Relations at Albert-Ludwigs-University Freiburg	Video call / Zoom	40 min.

Table 2: Expert Selection (own illustration)

3 Theoretical Framework

This chapter aims to provide two theories – one of the International Relations and the soft power to serve as a theoretical framework for this thesis. In IR, the term “power” is often related to realist concepts relations (Berenskoetter, 2007, p. 3). To put it another way, this chapter is all about the ideas of realism and soft power, which will be used to explain China's global influence. Finally, the concluding portion will critically examine the ideas in the preceding sections.

3.1. Realism in International Relations

The concept of realism is a way of approaching global affairs. Since World War II, the discipline of IR has been defined by realism. Realists contend that they have a reliably accurate interpretation of state behavior and prescriptions for minimizing the inherent destabilizing aspects of international politics, particularly the power balance between nations (Britannica, n.d.-b). In other words, Realism theory highlights the significance of nation-states and believes that all national governments operate based on their national interests disguised as moral motivations (Mount Holyoke College, n.d.). There is no set definition of realism that can be stated as a list of premises and assumptions. The concept instead has a general trajectory and a philosophically-minded stance. Even within the field of international relations, there are several definitions used to define realism. The first kind of representation is characterized as pursuing power or safety in the state's interests. International institutions, such as the United Nations (UN), play a minor role compared to the power of nations (Cristol, 2017).

Pre-philosophical and proactive views on “the way that things are” give rise to a political realism that might be described as the “natural” or “realistic” perspective of IR (Spegele, 1996, p. 14). According to realism theory, international politics is predicated on a

relentless power struggle. To restrict power and prevent it from being misused, maintaining the balance of power is therefore of fundamental importance for the realistic perspective of IR (Toledo, 2005, p. 59). Realists believe that the global system is a system of self-help of independent actors who are trying to advance its own interest to further their interests at the cost of others. To avoid being in a way to affect the destiny of others, states work together to prevent one state from gaining control over the others. A system of checks and balances is one in which the combined strength of others balances the country's authority. In this way, when a nation's strength begins to threaten other major nations, a neutralize is assembled to constrain that nation's growth and prevent it from achieving global hegemony (Schweller, 2016). Yet, IR scholars realists continue to think about IR in terms of materiality, as a world of sovereign nations in conflict with each other, all competing for a share in maximizing power (Munk-Petersen, 2013, p. 23). Realism has several unique schools. Classical and structural realism are the two most basic realism distinctions (Spegele, 1996, p. 15).

As outlined by Morgenthau (1965), the quest of power is inherent in human nature, according to classical realism. Morgenthau was a pioneering theorist of classical realism who saw the human propensity to take benefits from others as universal, and the same may be said about IR. According to Morgenthau (1965, p. 195), politics is a competition for dominance over other men. This comment about political power may be extended to include the whole field of power, as Morgenthau and Thompson (1985, p. 32) did by defining it as “a psychological connection between those who wield it and those over whom it is exerted”. The former may exercise considerable control over the latter's activities by influencing the latter's ideas (Feizi, 2018, p. 20). He also said that the purpose of any government was to achieve the maximum amount of authority (Pallaver, 2011, p. 58).

On the other hand, the second most significant strand of realism, presented in 1979 by Kenneth Waltz, is the structural theory. Morgenthau's basic concept that human nature desires power is challenged by structural realism (also known as neorealism) (Neuss, 2007). According to structural realism, the pursuit of power is rooted in the nature of the international system, which plays a major role in relations between states, and is not the result of human greed or an intrinsic desire to dominate the other nature of individuals (Jepson, 2012). The structural realists believe that governments have to acquire the power

to assure their existence, as the possibility exists that one state might use force against the other at any point (Pallaver, 2011, p. 59). According to Robert Gilpin (1981), the word “power” may refer to a country's economic, political, and technical abilities. Neorealists think nations may only pursue a limited amount of power, but in that regard, a powerful nation must assure its existence in a self-help system. According to Mearsheimer (1994, p. 10), the basis of a state's effective control is its military might, which is dependent primarily on the scale and effectiveness of the army in comparison to other states’ military powers.

In short, realists describe support in terms of one's capacity to acquire resources and assets, in general, have a strong propensity to be linked to military force might (Pallaver, 2011, p. 61). This approach has been widely criticized for lacking the distinction between rational interest and the interpretation of national interest. But it offers an explanation for power relations among nations (Pradhan, 2013). Yet, for many, the intuition that global relations are primarily a contest for power is accurate even if the conception entails several measurement issues (Berenskoetter & Williams, 2007, p. 62).

In the 1980s, political science professor Joseph Samuel Nye Jr. defined a different kind of influence, called “soft power” as a word he created (Ikenberry, 2020). Despite voicing his criticism of realism, he called on the former U.S. Secretary of Defense, Donald Rumsfeld, to elucidate on the idea of soft power, when Rumsfeld responded, “I do not know what that means” (Brown, 2008).

3.2 Defining Power

In part on the realist paradigm presented in the previous chapter, it briefly mentioned the essential subject of struggle of power. But how can power be defined? Once one begins to examine this topic, several books have been released, and the issue yet remains unsettled.

“Power”, as per Berenskoetter (2007), is an amorphous description surrounded by various similar meanings that are interconnected through a familial connection rather than a detailed description with a primary meaning. The thematization it selected served to assign relative importance to various ideas and choose various political positions. Since there is no general agreement on the nature of allocation and the accumulation of wealth

in the modern unipolar system, it stays in the state of a lack of agreement. Most of these emerging countries are working to obtain a political presence globally, similar to their rising economic weight (Tank, 2012).

3.2.1 Definition Soft Power

The narrow view of impact underwent a modification as the field of IR developed. Until the Cold War, IR's concept of power was considered an economic and strategic force. Traditional military strength has been defined as the use of coercive power, which includes threats, force, economic penalties, or monetary incentives (Raimzhanova, 2015, p. 4). The phrase “soft power” was first used by Joseph Nye, an American researcher, in 1990. He stated that as international frameworks have evolved, the role of immaterial sources of power has become even more critical. According to the information in table 3, types of conduct between order and co-opt fall into three categories: coercion, pure attraction, and mixed forms. Softer power is desirable in behavioral terms and also in terms of resources.

Using attraction to influence a target's behavior yields both partners agree on the same objectives, claims Nye (1990). A nation can organize a situation such that other nations wants, and desires coincide with it. Substantial payoffs and threats do not have to be used to accomplish stated objectives. Soft power is defined as the ability to draw the attention of others by means other than military force. Resources used to achieve this attraction are soft power assets (J. Nye, n.d.). A state's ability to use soft power is tied to the appeal of three critical assets: its political principles or values, culture, and foreign policy. In addition, he posits that a country's culture can be considered high cultures, such as literary works, art, and education, or popular cultures, such as movies, games, and TV, if it promotes values and ideas that are held in the joint by other countries and is associated with universal value systems. Thus, according to him, a country's culture could result in soft power (Nye, 2005, p. 11). Additionally, the government should be seen as respectable and possessing moral authority for its decisions both at home and abroad. It appeals to our sense of communal ideals and the need to contribute to the accomplishments of those ideals (Nye, 2004). He then goes on to explain that in interactions that are zero-sum or positive-sum, soft power may be evident as well (Nye, 2011, p. 90).

Because it may also be claimed that the difference between soft and hard power is not universal, it may be added that the power difference is not absolute. In other words, Nye points out that the difference between these two forms of power is not perfect. Traditional hard-power resources can be employed to exert soft-power influence (Gray, 2011). According to Dr. Brooke Smith-Windsor (2000, pp. 53–55), the frontiers between hard and soft power are blurring. Furthermore, he believes that military forces who fight to protect the peace and deploy troops to assist the civilian population should not be regarded as hard power. Instead, it should be seen as part of the broader spectrum of hard-soft power. In the 21st century, several foreign policy tactics might be characterized as effective combinations of the opposite mirrors of the power spectrum. At the U.S. delegation to the UN, former Deputy to the Secretary for United Nations Management and Reform, Suzanne Nossel, together with renowned Nye, took up Windsor's notion and created the term “smart power” in 2004. A mixture of the two power resources (power resources of both hard and soft) generates a successful approach (Rozen, 2009). A strategy that emphasizes military strength while also investing substantially in relationships, cooperation, and institutions (Schnaubelt, 2011, p. 33).

	<u>Power</u>			
	<i>Hard</i>		<i>Soft</i>	
Spectrum of Behaviors	Coercion Command	Inducement	Agenda Setting	Attraction Co-opt
Most Likely Resources	Force Sanctions	Payments Bribes	Institutions	Values, Culture Policies

Table 3: Power (own illustration based on Nye's Concept, 2004)

3.2.2 Critics on Soft Power

When looking from the above figure 3, one can observe that soft power's resources are not entirely defined, but hard power's resources are straightforward and universal. Using measures like area, size of the population, environmental assets, armed force, and good governance traditionally have been considered as types of hard power (Lee, 2018). Whereas global influence resources are seen to be more complicated, both in origin and in classification, soft power is often seen as superficial. There is considerable uncertainty when it comes to foreign policy. The dictionary meaning of foreign policy is stated by

Britannica (n.d.) as being the course or overall plan of action undertaken by a state. For these reasons, regardless of how appealing a nation's foreign policies may be, it cannot be divorced from its content, which is an essential component of hard power (Fan, 2008, p. 4).

Soft power resources have also evolved as the globe is becoming more internationally diverse, flexible, and interconnected. A great deal of study has shown that global influence has grown through time, and therefore soft power as a concept should be enlarged. Specific focus should be placed on global economic influence since this raises a state's appeal. Therefore Page and Xie (2011) have enlarged the concept of global influence resources by including intangible resources. From their viewpoint, a country with a strong economy is a source of national pride, an attractive soft power resource. In addition, both assert that humanitarian help, long-term commerce, and investment relationships, and tourism might create positive ties that enhance the use of soft power. Thus, soft normative influence is a kind of third-country economic aid. Resources needed for economic activity might also be described as resources essential for success in commercial activities, such as international relations, media penetration into other nations, the development of soft cultural products, and other forms of global influence (Page & Xie, 2011a, p. 224).

To have a thorough grasp of soft power assistance, it is crucial to have a solid and coherent idea of soft power resources. In addition, it is also important to comprehend the difference between the facilitator of soft power and the vehicles of it. The following framework illustrates this point.

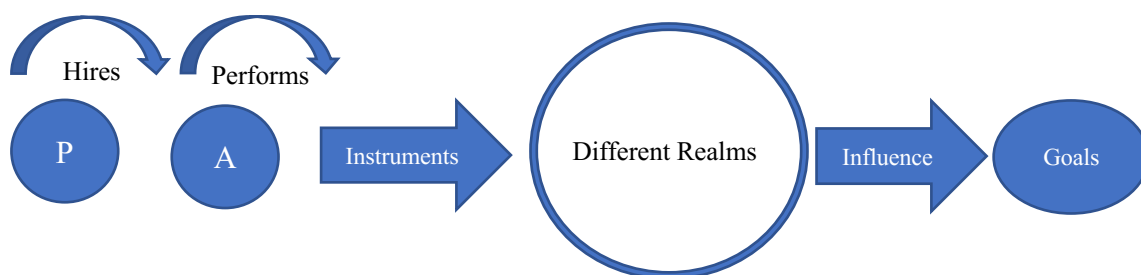


Figure 1: Soft power Influence (own illustration derived from on Principal-Agent theory)

The principal is considered as the ultimate state which in turn hires the facilitator of the soft power, which are here the agents. The agents are either an organization or even

persons in charge of developing and implementing soft power initiatives. Those agents could be NGOs, or even individuals or multinational cooperation's (MNEs) from the private sectors or the civil society. Through varied instruments or methods, soft power is mobilized in different realms or domains through different instruments or tools in which the soft power is instrumentalized or activated to achieve the strategic objective of a state.

3.3 China's Soft Power

It can be seen from above that soft power is a powerful means of accomplishing goals via an appeal. However, in light of recent global changes, such as domestic and global conflicts, economic disparities among nations, the advancement of globalization, and especially the terrorist threat, soft power is considered even more critical (J. Nye, 2004). Moreover, soft power is more advantageous than hard power in present-day world politics (Wagner, 2014). For the purpose of this paper, it is crucial to consider this term in the context of the Chinese experience in order to better understand and explain China's conduct internationally.

3.3.1 China's Soft Power Experience

In April of 1992, Nye first published a book on global influence in Mandarin, and it was translated by He Xiaodong (Courmont, 2015). As the Soviet Union started to crumble, certain Chinese academic groups started to pay attention to the notion of soft power, which was then considered to be a “Western notion”. According to Nye, in general, the argument that power originates from the success of organizations supported by values congruent with the Confucian ideal of moral elite leadership is somewhat correct. Indeed, this type of soft power can be traced back to Mencius, who said “righteous causes garner support, while unrighteous causes do no” (Wilson Center, n.d.). Also included in a paper published in 1990 by Wu Chunqiu, a CPC political theorist and one of the top leaders, listed elements of power that include aspects Nye highlighted as part of a development plan for China (Swielande & Vandamme, 2015, p. 172). However, it was a 1995 paper by Huning Wang which opened the debate about the relevance of such an approach to Beijing. The discussion began with Wang (1993) when he started with “if one nation has a good culture and philosophy, other nations would usually go along with it”. This discussion critically analyzes Nye's theory of soft power while explicitly mentioning culture as the most important source of soft power. Since then, China began using soft

power. While cautious at first, this soft power varied from widespread acceptance in the U.S. It focused on the importance of using it as a method to improve China's influence and power (Courmont, 2015).

There are two schools of thought when it refers to China's soft power. The first school of thinking says that Chinese influence is grounded in culture. The second way to think about this is in opposition to the first way, the school of politics. It discards the importance of culture in favor of wealth and power. Entity narratives are emphasized in the cultural school, whereas behavioral components are highlighted in the political school (Glaser & Murphy, 2009). In the presentation to the 17th National Congress of the National Party of China, the notion “cultural soft power” was first used publicly (Xinhua, 2007). This school of thinking which suggests that soft power involves not only through ideas, beliefs, ideals, but also through institutions and policies, which exist within the framework of a nation's culture (Samvelidze, 2010, p. 11). So, in other words, if the values and ideologies that countries have in common are recognized, soft power will boost the places where China's model and growth are highly respected.

The other school, referred to as the political school, says to better build China's global influence, it is crucial to strengthen the country's political influence. To put it in simpler terms, soft power is the sum of an appealing image internationally, as well as the skill to mobilize both at home and abroad (Glaser & Murphy, 2009, p. 17). The international attraction may be reached via national growth, strategic relations, and the absence of coercive power. Many theorists believe that political influence is represented by becoming an active member of multilateral organizations (Samvelidze, 2010, p. 14). Ramo (2004) describes China's economic model as an option to the “Washington Consensus” and said that this model offers nations a new way to prosper. China has often been cited as a role model for developing economies because of its unique blueprint for economic growth. It may be deduced that the structure of the Chinese political system may be used without incorporating it, which is the most advantageous conclusion because China presents itself in a more positive light in nations where the legitimacy of the state and the system is questioned (Samvelidze, 2010, p. 17).

Glaser & Murphy (2009, p. 21) stress the importance of peace and security as an aspect of Chinese thought and culture that people from all walks of life can get behind to alter

the view of China as a danger, which is essential for China's foreign policy. A five-year plan strategy for cultural development from the Chinese government further emphasizes the country's soft power focus. A technique China uses to accomplish its objectives is the amount of cultural influence and the fast expansion of Confucius Institutes (Samvelidze, 2010, p. 12). Culture is the national character and spirit. The report to the 19th National Congress of the Communist Party of China, a strategic reference for the next five years, explains that "culture is society and country's spirit", and offers the aspiration of "bringing together more solid social certainty and fostering a culture to thrive" (Xinhua, 2017). Though there are notable differences in Chinese interpretations of soft power across many disciplines, it should be mentioned that there are differences amongst academics based on the disciplinary area. The section above has attempted to explain how China conceptualizes soft power.

3.4 Concerns about China's Soft power

China's soft power has been understood and disseminated differently than it has in the U.S., as China has a distinct position and power methods. According to the U.S. experience in the Middle East over the past two decades, the primary approach has been to use hard force, which has led to distinct approaches by China (Alterman, 2021). Mearsheimer (2014) posits that China, as a growing state with increasing military and economic might, has consciously chosen to invest in soft power resources, thereby masking the country's hard power. Both the use of force and coercion may serve the national interest, but neither approach is unique to that objective. Costs and effectiveness are typically less for diplomatic and other factors (Freemann, n.d.). While the Chinese government has acknowledged that, it uses soft power over hard power.

With China's expanding global power, many are increasingly concerned that China has built up its potential to affect global affairs and utilize this power. Some observers say that China has emerged as a significant threat to the U. S's status as the leading superpower and that this threat is developing due to the country's increased global influence (McGiffert, 2009, p. 1). While the strict definition of realism – scholarly work such as Mearsheimer's discussion about China's soft power – has focused on China's broader national power. According to the widely accepted definition, everything that could increase in recent China's nationwide power can be considered realism. As the country's economy grows, the result will be severe security rivalry with a significant

chance of armed conflict, according to Mearsheimer (2014). Thus, in brief, he said that China's ascent would not be as peaceful as it looks. The two current superpower powers, the U.S. and China, are doomed to fall into the “Thucydides Trap” because of their mutual competitiveness. The term “Thucydides Trap” is described by Allison (2017) as a phenomenon when a superpower attempts to replace an existing dominant authority. Many realists believe that as China rises, the international order will shift in favor of new power distribution. Realism says that this is rational since a state would want to accumulate power for the sake of obtaining objectives or for the sake of possessing it on its own, as seen in the Chinese argument. The idea behind the realism theory is that soft power strengthens China's global influence without offending the rest of the world and is also a means of self-defense against the West's global influence (Zhang, 2014). China can use its soft power through the BRI, the world's most significant development and construction initiative, to position itself as a world leader (Chatzky & McBride, 2020).

4 China-Middle East Relation

As a result of centuries of international trade, China and the Middle East have always been linked through trade routes known as the Silk Roads. However, until the early 1980s, the political relationship between China with the region was governed by socialist ideals. The recent warming of ties between China and the rest of the globe has triggered China's attention in the Middle East again (Scobell et al., 2018, p. 147).

4.1 China's Rise

After the death of Mao Zedong in 1976, the Chinese government abandoned its Soviet-style economic plans to gradually reform the industry in accordance with free market prices and opening investment and trade with West to significantly increase the economy and the quality of life (Morrison, 2019, p. 1). Economists believe that a considerable percentage of China's recent industrial solid prosperity might be attributed to two main factors: fast productivity growth and substantial public investment (funded by Chinese savings and investment sourced from international markets) (Morrison, 2019, p. 6). The conversion of thousands of State-Owned Enterprises (SOEs) to private enterprise was accompanied by governmental subsidies that helped drive capitalistic expansion. Low-cost and labor-intensive manufacturing is where China has had the most success due to its abundance of cheap labor. As a consequence, China's commerce is heavily tilted toward manufactured products. Another advantage gained by China was the expansion of

technical know-how of the international companies (Morrison, 2019, p. 23). As a result, many low-wage industrial employees moved to the cities, allowing for an enormous increase in their employment as a large percentage of the workforce transferred to the cities (Man, 2011, p. 3). This adoption of the capitalist system in China brought about a leap in the period of economic growth also referred as a miracle (J. Y. Lin, 2004, p. 2). According to the figure 2, China's GDP has grown dramatically from USD 150 billion in 1978 to USD 14.28 trillion in 2017, with GDP growth averaging around 10% each year (Morrison, 2019, p. 5). Rural poverty in China has been significantly reduced; over 800 million people have been successfully pulled out of hardship (World Bank, 2021). In an article published in The New York Times, economist Neil A. Keldie estimates that by 2035, China's GDP would exceed that of the U.S. and double its size by the middle of the century (Goldstein, 2001, p. 858).

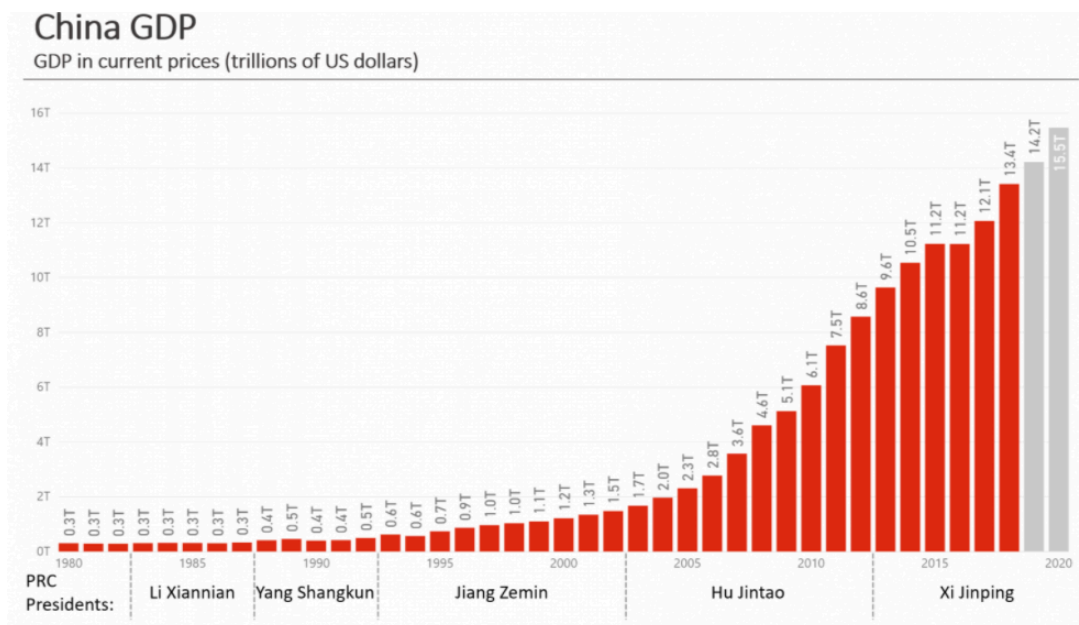


Figure 2: China's annual GDP (Data source: IMF)

4.2 Sino- Arab Relations

The 22 Arab states are mainly located in North Africa and the Arabian Peninsula. These countries cover approximately 8.7% of the Earth's total livable land (WorldData, 2021). There are around 423 million Arabs in the Arab world, making up 5.4% of the global population. As an economic and social entity, the Middle East is affected by varying views of country allegiance, which have shifted and become more complex over time. This is because of ongoing conflict and the interaction of a variety of factors that includes but is not limited to ethnic group, area, and language. China regards almost all Arab League member nations as the nations in the Middle East as well as Turkey and Iran. This

region, also known as “Middle East”, is called “xiya beifei” in the PRC and by the Chinese media. The Middle East, as defined in this research, includes sixteen countries: Bahrain, Jordan, Kuwait, Palestine, Lebanon, Oman, Egypt, Iran, Iraq, Israel, Qatar, Saudi Arabia, Syria, Turkey, the United Arab Emirates (UAE), and Yemen (Chaziza, 2020, p. 2).

During the Tang Dynasty (618-907 C.E.), China and the Arab nations' commerce increased considerably (Lei, 2017). The most prominent trade networks were sea and land channels, which included the Silk Road (Ladjal et al., 2019, p. 15). Arabs and China have an extensive and rich history of business and culture. However, because of the Cold War, Beijing's relations with the Middle East were mainly unaffected. The great powers – the U.S. and the Soviet Union – battled for wealth and control via proxies in the region. Until the 1980s, there has only been one China internationally recognized, the Republic of China on Taiwan (ROC), PRC's counterpart. China had no significant foothold in the Middle East, either financially or operationally, until the late '90s. During this time, China sold weapons to various countries such as Iran, Iraq, and Saudi Arabia, which relied on China for bargained-priced or hard-to-obtain weaponry (Scobell et al., 2018, p. 148). In addition, the PRC resumed its market reforms and openness initiatives, which spurred the country's desire to assert itself in the Middle East and bolster its global recognition attempts against the ROC. The PRC's diplomatic triumphs started as a trickle and were followed by two successive waves of diplomatic normalizations (Andrew Scobell & Nader, 2016, p. 4). In 1956, Syria and Egypt were the primary nations in the Middle East having diplomatic relations with the PRC. The breakthrough was in the 1970s when the PRC was admitted to the United Nations (UN) and Beijing took up the UN Security Council seat formerly occupied by Taipei. This marks the start of new diplomatic relationships between the Arab nations and China (Yao, n.d., p. 1). Lebanon, Iran, and Kuwait each switched recognition from the ROC to the PRC in 1971, while Jordan did so six years later. Libya and Oman also moved their allegiance to the PRC seven years later. The second Middle East diplomatic growth wave occurred in the middle of the 1980s and the 1990s. The UAE completed the normalization of ties with the PRC in 1984. Qatar also normalized ties one year later, as did Bahrain and Saudi Arabia in 1990 and Israel in 1992. Over the 20th century, China maintained diplomatic relations with all Arab nations (Andrew Scobell & Nader, 2016, p. 4). All of the Middle Eastern powers (including Israel) formally cut connections with Taiwan and reestablished a diplomatic

relationship with the PRC, which they saw as China's sole legal government (Scobell et al., 2018, p. 150). With the Middle East increasingly under China's sphere of influence, its importance and dependency on the region have only risen.

4.2.1 China's Arab Policy Paper

In the Middle East, countries such as Egypt and Saudi Arabia were welcoming China's growing role in the area. As a result, both sides agreed to build a platform that would benefit them both. The Sino-Arab Cooperative Forum was established in 2004 by former Chinese President Hu Jintao, who said that the forum was an effort to carry on traditional Arab-Chinese friendship as well as an essential step in developing bilateral relationships in the wake of changing conditions (Zaamout & Houlden, 2019, p. 4). In 2004, before Li Zhaoxing became Foreign Minister, he observed that the Arab world is a key global player. The relationship between China and the Arab nations has lasted for many centuries. In a speech in 2004, the conference was designed to enable discussions on China and the Arab nations working together in global relations, politics, industry, commerce, and art, science, and foreign politics (Zaamout & Houlden, 2019, p. 4).

Relationships between governments in the Middle East and China are mostly centered on trade and investment since 1978. The region finds itself in a strategic location in China's perimeter defense ring (Zaamout & Houlden, 2019, p. 4). In 2016, Beijing published its first formal policy document on the Middle East (which became known as the “China's Arab Policy”) (Chinese Department of Foreign Affairs, 2016). It outlines the overall policy for China-Arab ties, describing the relationship in terms of historical, geopolitical, and economic terms based on the “win-win collaboration” concept. Ensuring long-term collaboration on nuclear power generation, energy sources, and spacecraft is essential to these relations. While at the time, the article received criticism for being lack on details and vast generalities, it now seems to have reflected shifts in China's interactions with Arab governments (Al-Tamimi, 2019, p. 11).

Yi made this statement after the seventh meeting, asserting that Sino-Arab ties will become stronger via the BRI, which would be addressed in further depth in the following chapter (BRICS Policy Center, 2016).

5 Belt and Road Initiative

It is important to comprehend China's intentions behind the BRI or at least how China wants the initiative to be perceived. On May 10, 2017, China published a whitepaper explaining how the project was developed in the first place.

According to this official statement, China recognizes how the international economy is experiencing significant growth in its economic activities while also benefitting from the rapidly improving productivity and daily living due to science and technology innovation. The links of interdependence between nations have deepened at the same time as economies and cultures have developed rapidly. However, the problems faced by countries are becoming increasingly complex. The global economy's development has slowed, and traditional engines of growth are faltering; globalization is confronting new obstacles; openness and collaboration for the greater good of humanity are under assault, with unity for the greater good of humankind also at risk. Furthermore, several emerging nations have not yet reached the post-industrial stage. As a result, there is a significant need for an improvement in the international trading system, and the development of a mutually beneficial global value chain has not materialized. Countries also experience deficiencies in infrastructure, and various constraints hinder national and sub-regional developments. When facing these challenges and barriers, China realizes that more collaboration is essential. For this cause, China has proposed the Belt and Road Initiative (Leading Group on the Construction of the Belt and Road, 2017).

5.1 Background of the Belt and Road Initiative

The Silk Road, a commerce route that ran from China to Central Asia and the Middle East, was created 2,000 years ago. For many years, silk was an essential product of China, which came to be known as the Land of Silk. In addition, the length of time that the road has been in place has influenced the growth of the region overall (Jinchen, 2017, p. 1).

Two major long-term economic and trade initiatives initiated by China's President Xi Jinping came into effect in 2013. This significant endeavor, called the One Belt One Road (OBOR) - a name officially changed in 2016 to the Belt and Road Initiative (BRI), combines two entirely independent strategic frameworks: the MSRI, which is addressed as the sea-based Maritime Silk Road, and the SREB, which is referred to as the overland Silk Road Economic Belt. For its name, "Belt," is meant to be a network of roads, and

the “Road” represents sea routes (Habib & Faulknor, 2017). The objective of this initiative is to construct the world's biggest platform for promoting activities in the field of commerce, culture, and social affairs (Jinchen, 2017). China's ambition to become a more critical player in IR and trade and via cultural ties is being made via the BRI. According to the official document of Vision and Action of the BRI (2015), the initiative established the foundations for economic prosperity. While various participants sought to advance their particular goals, such as accelerating progress, increasing wealth, enhancing cooperation, and fostering peace between multiple cultures, the BRI also emphasized developing world peace and stability. As a result, increasing trade connections between countries via industry and infrastructure is recognized as China's national priority.

The SREB is conceived as three routes connecting China to Europe (through Central Asia), the Persian Gulf, the Mediterranean (through West Asia) as well as the Indian Ocean (through South Asia), with six development corridors (Charaia et al., 2018, p. 156). And MSRI links numerous waterways which links China to South-East Asia, Indonesia, India, the Arabian Peninsula, Somalia, Egypt, and Europe. The result will be a vast web of interconnected waterways running throughout the South China Sea, the Waterway of Malacca, the Indian Ocean, the Persian Gulf, and the Red Sea (Ibold, n.d.). Figure 3 shows the blue path, which symbolizes the SREB, and the pink route, reflecting the MSRI. According to the official document of the BRI (n.d.), the purpose of the BRI is to link Asia, Europe, and Africa with their nearby oceans, foster cooperation between the nations involved, and construct all-dimensional, multidimensional, and composite connection systems.

Although the BRI is a worldwide initiative, since it is founded on the old Silk Road, it primarily focuses on Asia, Eastern Africa, Eastern Europe, and the Middle East, an area dominated by growing economies. As per the official Chinese BRI website (2021), as of May 2021, 143 nations have entered the BRI via a Memorandum of Understanding (MoU) negotiation with China. According to Statista's global GDP statistics for 2021, these 143 BRI members account for over 40% of global GDP, and over 63% of the worldwide people reside inside BRI nations' boundaries (Statista). Furthermore, because the effort is open to participation from any country and is not confined to the territory inhabited by the historical Silk Road commercial route, the movement's suggestions are

constantly evolving, with new projects proposed by the stakeholders (Deepak, 2018, p. 16).

There is no central or structured entity with the BRI, and it involves many different stakeholders and players. This National Planning Commission (NDRC) agency is responsible for managing the BRI while the Department of the Leadership Council on Raising the Productivity of the BRI works under them. While various Chinese empowers employees such as the Department of Economy, Ministry of Foreign Affairs, and the Ministry of Education play an active role in the implementation and development of the BRI; other empowers employees such as the Department of Economy, Foreign office, and the Ministry of Culture also are doing so. International funding institutions include global and national banks, government banks, government funds, and police banks. Thus, private equity funds, BRI bonds, and community collaborations (PPP) are all essential financing avenues for funding the whole of the BRI project size, which is anticipated to be around USD 4 to 8 trillion (Ibold, n.d.).

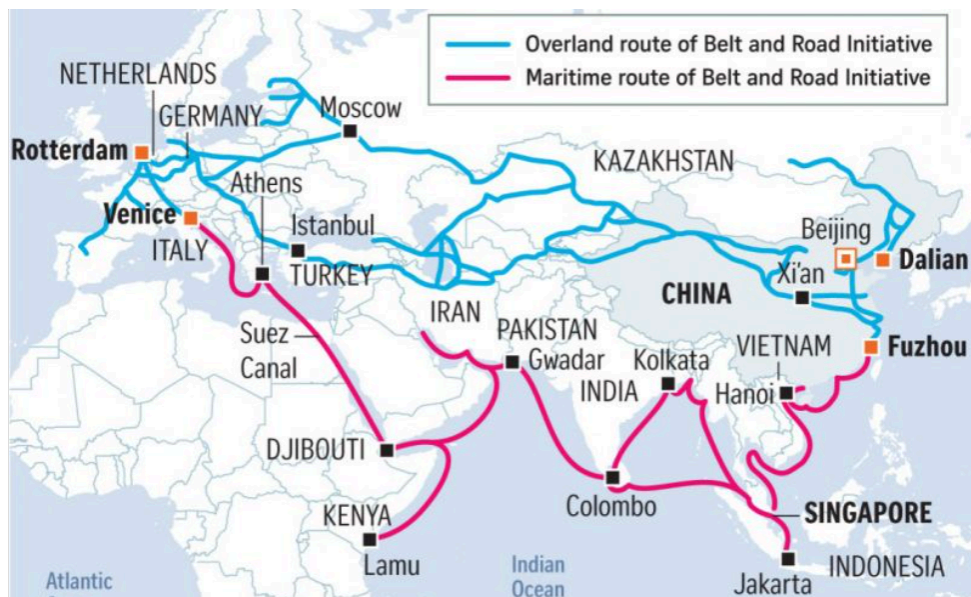


Figure 3: The map of the BRI (source: Asia Green)

5.2 Principles of the BRI

Peaceful coexistence, or cooperation of nations and civilizations, promotes the fundamental ideals of the U.N. Charter, such as state sovereignty, respect for national sovereignty, and non-interference in each other's domestic affairs. Four fundamental concepts are part of the BRI: 1) receptive to collaboration 2) carried out in the context of

market operation emphasizing 3) harmony and inclusiveness while simultaneously 4) making both parties better off (Belt and Road Portal, n.d.). In addition to, but not limited to, the historic Silk Road, the BRI incorporates and is inclusive of collaboration. It will be possible for any interested countries and international and regional organizations to join the BRI. To guarantee that the work bears fruit and reaches others, this is done. The second concept is to adhere to market rules and strategies, which are initiated only to increase the capital flow. The government will be supporting spending resources and goods inside the market, and firms will lead in deciding where resources and goods are directed. Markets are necessary for the initiative, but reciprocal profits are also made for all participants. To maximize potential advantages, it must satisfy their interests and requirements. Symbiotic and inclusive, it stimulates cross-national dialogues and inclusion. It is also in line with the first principle since different countries have different interests. This is where the clauses for cooperation and inclusiveness come into play.

The Chinese Foreign Minister was in attendance at the virtual conversation on Foreign Relations in April 2021 and delivered the following remark: “Citizens should value and learn from one another. Each country chooses a path to development based on its particular circumstances and the people's necessities. All nations should honor and gain knowledge from each other”. While acknowledging different views and beliefs, foster conversations and partnerships across civilizations based on the shared values of mutual respect and regard for each other's core strengths so that all nations may live in peace and thrive together. The Belt and Road Forum, which was convened for the first time in Beijing in May 2017, underlined the importance of these values. World Bank President Jim Young Kim, IMF Managing Director Christine Lagarde, and UN Secretary-General Antonio Guterres were also in attendance (Tiezzi, 2017). In April 2019, a second conference for the Belt and Road Initiative was held in Beijing, themed “Working together to bring forth a better future for Belt and Road collaboration”. 36 heads of state and government were in attendance and 5,000 participants from other nations, and 90 leaders from international organizations (Singh, 2019). Among the participants of the forum were also Egypt and Saudi Arabia (Arab News, 2019) (Egypt Today, 2019).

5.3 Cooperation Areas

The BRI is a collaborative environment for building infrastructure that does not focus just on infrastructure. The BRI would be a two-tiered strategy with policy coordination and commercial and cultural cooperation connecting the participants. In essence, possibilities abound amongst the BRI nations in the coordination of policies, trade, economic flows, communication, and the strengthening of people-to-people relations (Belt and Road Portal, n.d.)

5.3.1 Policy Coordination

Policymaking is among the most critical aspects of the initiative implementation. When several nations are engaged, their differing interests and degrees of trust cause an issue, and this is an important location where the initiative should be held to guarantee the success of the implementation, to offer financial assistance for BRI building, China encourages all concerned governments to establish a multi-level interagency macro planning exchange and communication system (Xinhua, 2017).

5.3.2 Connectivity of Facilities

The BRI is designed to link countries; hence the connectivity of infrastructures is of critical importance. Sovereignty and security issues are the major problems on the routes. However, these problems might be dealt with by inter-state policy cooperation. A second aim is to extend existing land-sea-air transportation networks and make plans to help the state advance in economic growth and collaboration. The following infrastructure items are included: railroads, seaports, and aviation facilities which are in readiness to help with the SREB Route project and the twenty-first-century MSRI (Action Plan on the Belt and Road Initiative, 2015). Ranking highly on the list is developing the port infrastructure, improving port cooperation among the governments concerned, and expanding sea routes and journeys. China also fears the risk of a power and information infrastructure gap developing, and hence has asked all participants to collaborate to secure critical energy and communications arteries (One Belt One Road, n.d.). In the document known as “The 13th Five-Year Plan for Information-based Project Construction”, the State Council (2016) calls for constructing a telecommunications corridor along the Belt and Road. The hope is that Chinese firms would collaborate with foreign telecom operators to form

global networks. At the same time, the construction and optimization of transcontinental optical cables and transoceanic coaxial cable and spacecraft are scheduled to be completed and strengthened in the following years.

5.3.3 Unimpeded Trade

Countries in this sector should focus on addressing and improving disputes and investments. To create a more attractive business climate in the area, the plan emphasizes reducing impediments to both investment and commerce. The objectives of the trade initiatives include minimizing the overall costs of international commerce and realizing the wider and deeper growth opportunities, enabling all the concerned parties to be engaged in a wider and deeper form of economic globalization. Cooperation in customs regulations is also encouraged, including information sharing, joint prosecution, examination, quarantined, standardized measurement, and food and product certification. According to the BRI whitepaper, boosting the trade balance and investigating new development areas of trade are recommended. Other suggestions include eliminating investment barriers, pushing negotiations on bilateral investment defense contracts and double tax agreement contracts to safeguard investors' lawful rights and interests, and promoting discussions on binding regulatory procedures and workarounds to support businesses. It is also being speculated that investment would come from agriculture to tourism. In addition, collaboration in the energy industry and new technologies are encouraged (Belt and Road Portal, 2015).

5.3.4 Financial Integration

Another critical component for executing the BRI is economic integration. The construction of a solid and accurate legal regime and the enhancement of strategic planning, early warnings, and security operations procedures may be supported through cooperation on a bilateral and international scale. Another essential feature of creating a stable currency, finance, and investment system and a credit data system is the creation of the money itself. With its help, governments, corporations, and financial institutions on the Belt and Road use strong credit ratings to issue RMB bonds. According to the guidelines set by China's qualified financial firms and organizations, enterprises based in China and other countries are urged to issue bonds in RMB and invest the proceeds in countries along the Belt and Road. As the BRI is executed, the internationalization of the

RMB will result in more excellent local trade connectivity, which will be helpful in the BRI nations. Growing world trade and investment in China and more Chinese companies going global in tandem with the BRI will assist the RMB's globalization efforts (Action Plan on the Belt and Road Initiative, 2015). Studies done by the RMB Global Report (2015) have demonstrated that a more significant percentage of local currency would lead to greater financial stability and, as a consequence, reduce transaction costs. This will increase the competitiveness of the country's economy and speed up inclusion in commerce and industry.

5.3.5 People-to-people bond

The Action Plan on the Belt and Road Initiative (2015) emphasizes expanding cultural and intellectual exchanges, personal interactions, media collaboration, and voluntary work as ways to garner popular support for strengthening bilateral and regional cooperation. It also advises hosting various kinds of cultural activities in each other's nations, such as arts, music events, TV weeks, and book fairs. Another major partnership may be travel and tourism. Moreover, international collaboration in exchanging information on epidemics, sharing of technology, and other disciplines should be further promoted to help create a peaceful and welcoming social diversity and public opinion.

5.4 The Importance of the Middle East for China's BRI

According to Watanabe (2019) China's BRI is vital to the Middle East. It aims to create new markets and protect the global trade from enabling China's economy to achieve long-term, sustainable development, therefore, contributing to regional stability at home.

Connecting China to Europe and Africa via the Middle East is possible because of the MSRI. On the other hand, to link China to Europe, the SREB wants to connect the country to Central Asia and the Middle East. Therefore, the MSRI is more important in the Middle East than the SREB since it involves more regional nations. According to this view, the Southeast Asian voyage begins in the South China Sea, proceeds through the Indian Ocean, crosses the Gulf of Aden, and concludes at Port Piraeus in Greece (Watanabe, 2019, p. 2).

This is why the Middle East is an important component of the MSRI. China is more and more reliant on importing energy to keep its economy running (Watanabe, 2019, p. 2). According to the U.S. Energy Information Administration (2020), China with its rapidly growing population of 1.4 billion has overtaken the U.S. as the nation's biggest importer of oil; whereas U.S. domestic production of oil is rising, China's production is decreasing (Hiim & Stenslie, 2019, p. 155). It is projected that over two-thirds of other global oil use in 2019 was due to increased Chinese oil consumption. China's need for oil outstrips local production, which means that it has increased its strategic oil reserves. As a result, imports have surged to record levels, which is why oil is now at an all-time high. Over the last several years, China has diversified its oil import sources to maintain a sufficient oil supply while limiting geopolitical risks. In particular, this is because no nation can match the demand for oil and gas that China has. GCC governments entered into several investment treaties as part of the BRI; these accords are of the strategic partnership type (Al Fazari & Teng, 2019). According to Reuters, China imported an average of 10.8 million barrels per day (b/d) of crude oil in 2020, which is nearly +7.3% more than the year before. A significant share of the Middle Eastern export supply is made up of countries like Saudi Arabia, Iraq, and Iran. About half of China's oil products and up to 20% of its gas imports originate from the Middle East. Due to this, China relies heavily on the Middle East for its energy (Watanabe, 2019). The suspension of oil imports from the U.S. is because of the trade conflicts between Beijing and Washington (Zhou, 2021). This shows that China's energy consumption will rise. With that, the country will become more heavily reliant on the Middle East, making the Middle East critical to China's energy appetite.

Navigation systems are a key worry on China's BRI (Watanabe, 2019, p. 2). Most trades including goods and oil between China and Europe must go via several exit points in the region. Approximately one-third of the crude oil that passes through the Strait of Hormuz needs to go via Iran and the UAE. Trade-in products that must give via the Bab el-Mandeb Strait between China and Europe must also be transited through Djibouti and Yemen. As a result, China's energy imports, as well as its commodities, are vulnerable to interruptions caused by piracy, regional tensions, and wars. Therefore, Beijing is interested in securing maritime routes as well as discovering other ways to circumvent exit points (Len, 2015). Because if these chokepoints are interrupted, this could have a

significant impact on energy supply and pricing, but also on global trade flows (Kamel, 2018).

Aside from oil, China is also a significant supplier of low-cost Chinese goods to the Middle East. Concerning other sales markets, China is trying to unlock new ones. In light of these aims, China has been forming MoUs and partnerships of varying degrees of severity (Watanabe, 2019, p. 3). Energy collaboration and infrastructure development, like building seaports and transportation infrastructure, were the primary topics of intensified relations with countries in the region, which, predictably, have centered on China's "Arab Policy Paper" (see chapter 4.2.1: China's Middle East Foreign Relations).

These four nations, which have all formed strategic relationships with China, are considered strategic partners of the MSRI: The KSA, the UAE, Iran, and Egypt (CMS, 2021, p. 44). The surge in diplomatic engagement is concurrent with the growth of the BRI and reflects that the Chinese government regards the Middle East as a significant strategic target (Al-Tamimi, 2019). The fact that these nations have become essential to the MSRI is clearly. Saudi Arabia's importance to China is shown because it provides the bulk of China's crude oil imports. In 2019, China bought 44% of its crude oil from the Gulf states, with Saudi Arabia delivering 16.8% of China's total purchase (CMS, 2021, p. 6). Another noteworthy fact is that the UAE is located on the Strait of Hormuz, where China's largest source of oil imports passes. Another nation with which China is now striving to engage in Iran, which might substitute Saudi Arabia as a supplier of energy for China. As a means of decreasing dependence on sea transportation and limiting its attendant hazards, Beijing is hoping that Iranian oil may one day be supplied to China by land (Watanabe, 2019, p. 2). Egypt is critical to China as it serves as the principal transit point between the Indian Ocean and the Mediterranean Sea, serving China's foreign trade, about 90% of which flows through sea routes (Chaziza, 2020, p. 37). The Suez Canal creates the shortest maritime link for goods travelling from Asia to Europe, with Europe being the largest source of China's imports and its second largest export market (European Commission, 2021)

Based on figure 4, China's largest economic footprint is clearly in the Gulf region, namely KSA and UAE. The figure also further shows that China has been heavily investing in energy, transport and in real estate i.e., construction and property from 2005 until 2020.

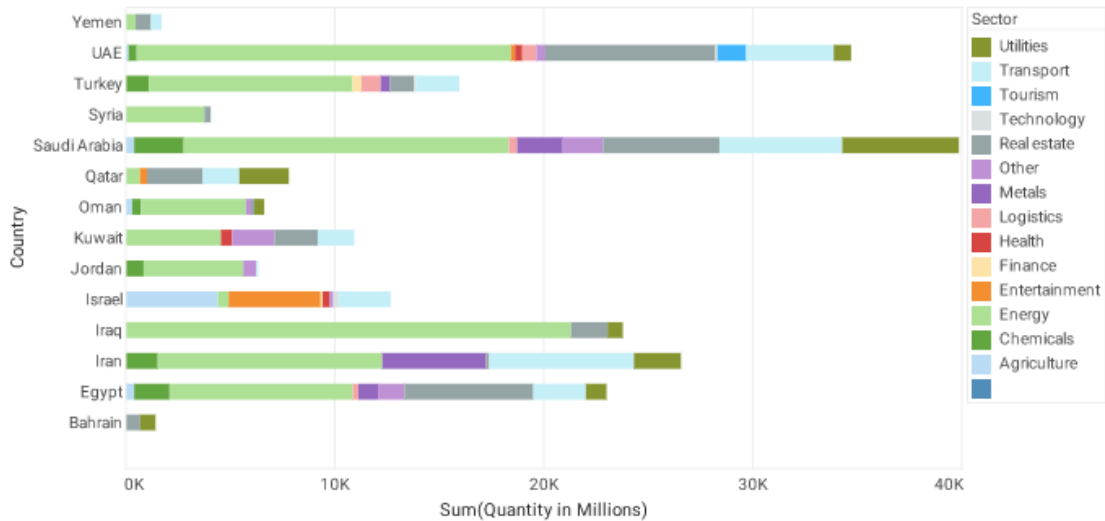


Figure 4: China's Investments in the Middle East during 2005-2020 by sector (own illustration, AIE China's global investment tracker, 2020)

Moreover, figure 5 depicts that investment in the Middle East was only USD 75 billion from 2005 to 2012, while total investment in BRI-related project finance in the region doubled from the year the BRI was introduced to USD 140 billion by 2020. This may be deduced to mean that BRI investments have consistently expanded, especially in the UAE and Saudi Arabia, which are the core countries for China's BRI.

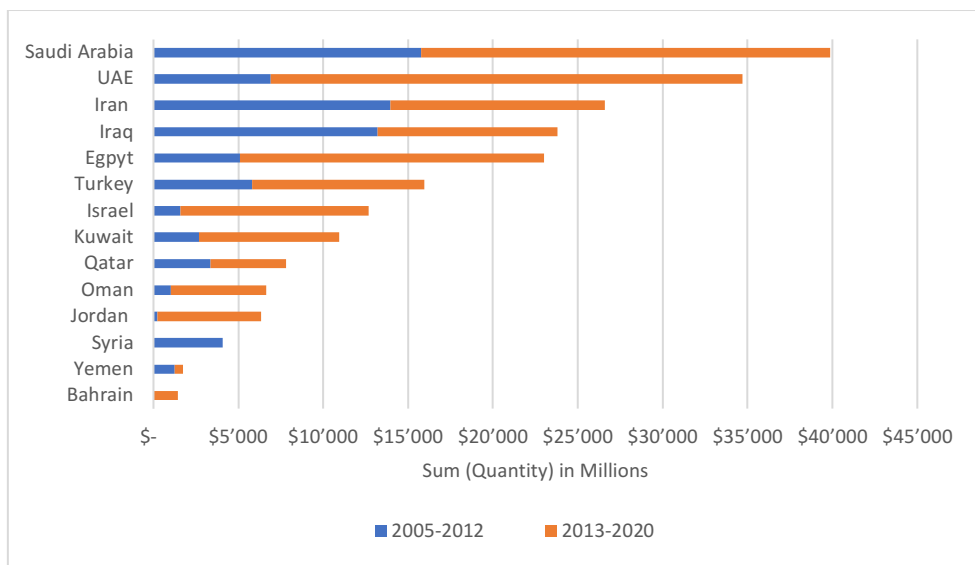


Figure 5: China's Investments and Construction in the Middle East during 2005-2020 (own illustration, AIE China's global investment tracker, 2020)

According to TradeArabia (2019), China's influence in the Gulf has expanded from strictly financial investments in the petroleum sector to a variety of business and economic endeavors in the industries of transportation, communication, and other technologies. Oman, the UAE, the KSA, and Egypt are among the nations with significant infrastructure and port developments in the pipeline. Based on GlobalData (2019), an additional USD 23 billion in financing and foreign aid was provided to the region in the summer of 2018. The Gulf countries may be referred to as the “core” of the Middle East since these are the key nations in the region. The Middle East's strategic position, abundant natural resources, and powerful industrialization make it an essential area in China's BRI implementation (Chaziza, 2019a, p. 7). According to Yuan (2019), when China makes investments and technologies available to Middle Eastern countries, it may expect energy supplies and political support in return. This suggests that China's position in the Middle East is reinforced by China's role as a destination and source of finance for the region. One cannot deny that Chinese financial involvement in the Middle East is active, showing that China's presence is further increasing.

6 Case Study

This chapter presents the case study on China's engagement in the Middle East region through the BRI. Egypt and Saudi Arabia were chosen for the analysis because China is pursuing different strategic objectives in these two countries. The soft power instruments China uses through the BRI in these two countries are critically analyzed in this chapter. As the analysis is done from the perspective of the BRI, it is necessary to look at the five areas of BRI cooperation (see chapter 5.3: Cooperation Areas), as these are the essential cornerstones for the implementation and goal of the BRI. The areas of cooperation have been divided into three domains: politics, the economy, and culture. An attempt is made to determine the soft power resources based on the theory section.

6.1 Political Soft Power Applied by China

This section analyses the soft power of China through the BRI at the political level, taking into account the theories of Joseph Nye.

6.1.1 Political Values and Foreign Policy

One aspect of the five areas of the BRI cooperation is policy coordination. To enhance mutual political trust, intergovernmental collaboration is essential. China calls for partners along the Belt and Road to closely align their policies and economic development strategies with the BRI to achieve a higher level of practical cooperation and be prepared for major international projects (Action Plan on the Belt and Road Initiative, 2015). Based on Jonathan Fulton's report on China's changing role in the Middle East (2019, p. 10), there is a strong synergy between the countries' national development programs, referred as "Vision 2030" plans, and the BRI. Some Middle Eastern countries made the Vision-BRI link explicit. For example it was identified as "one of the main pillars of the Saudi Vision 2030" by Saudi Crown Prince Mohammed Bin Salman (Arab News, 2016).

Egypt welcomed China's BRI shortly after it was launched in 2013, Egypt being among the first countries to join the BRI. Since then, Chinese-Egyptian relations have emerged as one of the most significant bilateral axes in the Middle East. In 2014, newly elected President Abdel Fattah al-Sisi paid a visit to China, and both sides strengthened their bilateral relationship to a comprehensive strategic partnership (Ahmed, 2020, pp. 3-4). In an interview in 2014, Egyptian President al-Sisi said that China's BRI is regarded as a chance for cooperation between Egypt and China, and that Egypt was eager to participate actively in it. In the words of the former Prime Minister of Egypt, Essam Abdul-Aziz Ahmed Sharaf, the BRI can bring China and the developing countries in Africa together to accomplish common development, therefore, Egypt considers the initiative as significant for the country (Tianyi, 2018). The Initiative is consistent with Sis's track record of seeking Chinese assistance to carry out his ambitious domestic and foreign agenda (Chen, 2018b, pp. 221-222). Both parties signed an MoU in 2016 between the Government of the PRC and the Government of the Arab Republic of Egypt and a number of documents on bilateral cooperation in different fields (Chen, 2018b, p. 225).

In September 2017, the 9th BRICS (Brazil, Russia, India, China and South Africa) Summit was held in China, attended by emerging and developing countries, and the Egyptian President al-Sisi was among the invited participants. The summit provided a communications platform for exchanging development experiences among the countries, allowing countries to choose their own development paths (Lingui et al., 2017). During

his speech at the event of the China-Africa Cooperation Forum in 2018, President al-Sisi commended Beijing's outreach to African states and stressed the importance of the BRI. He further stressed that Egypt had improved for the better by being a more appealing investment destination, effectively combating terrorism threats, implementing economic changes, and pursuing a balanced foreign policy in the Middle East (Hassanein, 2019).

Saudi Arabia takes the same path by signing various MoUs under the framework of the BRI. Since 1990, Saudi Arabia and China have had diplomatic relations and have made significant progress in numerous areas (Chen et al., 2018, p. 365). During a state visit to Saudi Arabia in January 2016, Chinese President Xi converted a bilateral relationship with Saudi Arabia into a comprehensive strategic partnership. Saudi Arabia and Egypt welcome cooperative participation in building the Belt and Road. In the same year, like Egypt, Saudi Arabia also introduced its national “Saudi Vision 2030” strategy. This Vision should reform its economy to a diversified economy and reduce its dependency on oil (Zaamout & Houlden, 2019, p. 14). “Vision 2030” aims to turn Saudi Arabia into a global investment powerhouse, and it represents the intention of ensuring long-term economic and strategic cooperation, with China playing a significant role in its accomplishments through the BRI. Saudi Arabia has been implementing the “Look East” policy and actively improving its economic and diplomatic relations with China by cooperating with China under the BRI (Moonakal, 2020). Since then, the comprehensive strategic partnership has been used to provide the basis for policy coordination. Most of the agreements and MoUs were for projects in energy, mining, housing development, cultural cooperation, and science and technology operation. China has forged extensive strategic partnerships with Egypt and Saudi Arabia, considering both countries as long-term partners in the co-building of the BRI. This diplomatic action, which coincides with the expansion of the BRI, demonstrates that the Chinese leadership clearly regards the Middle East as critical to its political and strategic interests (Al-Tamimi, 2019). Beijing defines the BRI's aims and their alignment with the region's interests in order to boost the BRI's attractiveness and appeal to the region's major players by emphasizing the region's and its own developing convergences.

In China's Middle East foreign policy and in the Declaration of Action on China-Arab States Cooperation under the BRI, China stresses that it would uphold the principles of peaceful coexistence of non-interference in other country's domestic affairs and strive to

develop a new form of international relations characterized by fairness, mutual respect, justice and win-win cooperation, presenting China as friendly and peaceful in many nations. This aligns with Joseph Nye's theory in terms of influencing a country with the resource of political values. China has established a foreign policy, that is not aligned, non-confrontational, resistant to outside pressure and non-ideological, which has made China appealing. This is also reflected in the BRI that has gradually become China's main foreign policy plank, offering freely participation in the BRI without any coercion. This means that China does not resort to coercion, which is a clear indication of the soft power mentioned by Nye.

Furthermore, as Aydin and Yüce (2018, p. 74) explain, China has no intention of criticizing or interfering in the internal affairs of countries involved in the BRI. As a result, Western countries have criticized China for prioritizing non-interference over human rights (Short, 2018). Based on expert no. 3 (line 179-181), this makes the relationship less complicated by saying, *“since you do not have to hold wide-ranging human rights dialogs or find yourself under pressure from government to release individuals of the political opposition“*. So, both sides want this. Therefore, this stance of China is attractive to Egypt and Saudi Arabia, who have no appetite for lectures from Westerners (Srinivasan, n.d.). According to Human Rights Watch (2021), Egypt has been witnessing its greatest human rights crisis in decades under President Abdel Fattah Al-Sisi's administration. According to Freedom in the World (2021a), Freedom House's annual examination of political rights and civil freedoms throughout the world, Egypt is rated as a “not free” country. Moreover, Saudi Arabia is an absolute monarchy with stringent restrictions on all political and civil freedom. Similarly, Saudi Arabia has the same rating as “not free” status based in Freedom in the World 2020 (2021b). Therefore, it is not surprising that China – as an authoritarian one-party state that systematically restricts fundamental rights – has no issues with how these states manage their own internal affairs. Since the 2011 Arab spring revolt, Beijing has remained out of Egypt's internal affairs. Unlike the U.S., China has not blamed Egypt's record on political detainees and other human rights violations. President Al-Sisi, for his part, has been quiet on China's crackdown on Uighur Muslims (Hassanein, 2019). In 2017, the Chinese government demanded the return from overseas of all Uighur students. In the call, hundreds of Uighur students in Egypt were sent to massive detention camps in China (Ghiles, 2019). In 2019, Egypt even praised Beijing for its “remarkable accomplishments

in the field of human rights”, leading to growing criticism of its treatment of Uighurs in the northwestern province of Xinjiang, where thousands have been detained (Middle East Monitor, 2019). In the same year that the Saudi Crown Prince visited China, he stated that he supported China's right to maintain its own national security and to fight terrorism and radicalization (Aljazeera, 2019). After all, China also expects that BRI participants do not intervene in China's domestic affairs.

Based on the Arab Opinion Index from 2020¹ it has shown that 58% of Arabs (including Egypt and the KSA) hold negative views on U.S. foreign policy toward the Arab world, while the public opinion about the Chinese foreign policy was more positive. The vast majority of Arabs had negative views of U.S. policy towards Palestine (81%), Syria (81%), Yemen and Libya (72% each). Similarly, 81% of the respondents believe that the U.S. poses a danger to the Arab world's stability and security (Arab Center for Research & Policy Studies, 2020, p. 48). In an interview with Xinhua, the Arab Centre's Executive Director, said that China's fair stance on Middle East issues contributed to the positive results of the survey. He also pointed out that China's support for the Palestinian cause, as well as its non-interference in the Middle East domestic affairs and conflicts, have given it a favorable reputation. Furthermore, many surveyed respondents would like to see China play a larger role in offsetting the negative influences of some Western countries (Xinhuanet, 2020). All experts (no. 1-6) have confirmed that China's expansion with its BRI, combined with its declared disinterest in domestic affairs, makes it increasingly interesting and attractive to Middle Eastern governments. Based on expert no. 4 (line 53-55) this also helps countries to have a bigger level of trust, especially as there is no colonial history with China. However, expert no. 6 takes a more critical stance by saying: *“This principle of non-interference can be interpreted as very rhetorical, because what you can see on the ground is a very free interpretation of non-interference. But there is a lot of endorsement of non-interference as a political value that China is using to perhaps attract countries from the region”* (line 54-59).

6.2 Economic Soft Power Applied by China

This section analyses China's soft power through the BRI at the economic level, taking into account the various theories developed by different scholars, including Joseph Nye.

¹ Interviews conducted with 28'288 individuals from 13 Arab countries between 2019-2020

6.2.1 China's Development Model

China's economic growth has been impressive, with its success story of being an impoverished country that pulled hundreds of millions out of poverty and became the world's second biggest economy. This story can inspire the emulation of its development model and gives China the legitimacy for another strong source of soft power. According to Page and Xie (2011b), as well as Huang and Ding (2006), the economic growth and prosperity within a state perhaps serves as a greater, albeit unintended, form of soft power and attractiveness to others. China's impressive growth, for example, is among its greatest resources of attraction for developing countries (Liang 2012). This is evident when the BRI declares that it would assist to improve the economic prosperity of the states along the BRI (Belt and Road Portal, 2015). According to expert no. 5 (line 36-37), the development of China was something phenomenal, saying: *“This is clearly an indication that China is doing something right. So, therefore, it is a model to look up to and see what Chinese did right and then try to emulate it.”* Complementing this, expert no. 6 (line 89-91) says: *“This could explain why China often appears as attractive to developing countries that still have the development process ahead of them.”*

Furthermore, China cited as proof that economic success can be achieved by an authoritarian, centralized, and efficient regime combining characteristics of a socialist market economy and not necessarily through the free market capitalism and Western liberal democracies (Jiang, 2020). Zaho (2010), a professor of Chinese politics, defines the Chinese development model or the so-called Beijing Consensus as a pragmatic and non-ideological approach to enhancing both social stability and economic growth without jeopardizing the ruling party's power. Because China prioritizes economic development above the implementation of political reforms, the Chinese model according to McCall (2018, p. 2), is a tried-and-true approach for a governing class to preserve political control while drastically altering a country's economic character. He further outlines that the potential to gain diplomatic and economic benefits while retaining an authoritarian status quo is especially enticing to governments that are afraid of the implications of political liberalization, such as KSA. A sustainable and balanced economic development transforms the foundation on which citizens judge governments. Therefore, countries can maintain their status quo by creating economic success and more employment opportunities as justification while avoiding fundamental changes in the political

structure (McCall, 2018, p. 3). Expert no. 5 (line 92-103) highlights how “*a country like China may need a central authority to get things done*”. He thinks it might be impossible to have a federal system in Egypt, because the way Egypt was created seven thousand years ago was differently to, for example, Western countries. He takes an example to explain this statement.

“In Egypt, one person distributed the water to the population, and this is how the state developed. And when somebody comes and says, why do you not decentralize or why do you not have a federal state, it does not work because this lies fundamentally in the system of Egypt which has been working for so many years. So, China's model was commensurate with the cultural and social specificity of China which, of course, cannot be applied to every country, especially not in the Western world” (line 98-104).

So, in the case of Egypt, the reference to China as a role model reflects the Egyptian regime's desire to learn from China and expand the already comprehensive cooperation under the BRI.

6.2.2 Economic Attractiveness

China has engaged in soft-power-centered economic ventures before, but the BRI is different as Beijing is now significantly more powerful than before due its foreign exchange reserves, which are the highest foreign exchange reserves of any other nation. For this reason, it has sufficient economic and financial capacity to carry out various BRI-related tasks (Aydin & Yüce, 2018, p. 73). China can be seen as an opportunity for trade and investment and job creation due to its large market and business potential. As a result, certain nations would not be tempted by such an economic enticement. Economic soft power has added to the perception of China as the main market for new opportunities (Lorenzo Mariani, 2021). The emerging economic power is a form of diplomacy that uses the full spectrum of economic means to achieve state national interests (Pandey, 2018). As Winter and Ella (2019) describe, in Egypt, the Chinese fast-speed economic development model is associated with modernization, technological developments, foreign investments, integration into the global economy, and mega-projects that have the potential to produce fast economic growth rates and provide a response to the challenges

of a rapidly growing population and dire poverty. Mohamed Osman Abdelalim Elkhosht, President of Cairo University, stated that China, through the BRI, plays an important role in Egypt's stabilization and growth. Since the revolution that overthrew Hosni Mubarak in 2011, Egypt has struggled to re-attract foreign investors frightened by the prospect of political instability. In this context, China is important to Egypt because it has proven willing to help Egyptian projects at a time when the country is desperate for foreign capital. Therefore, China's assistance can help in the economic recovery of Egypt (Chen, 2018b, p. 222).

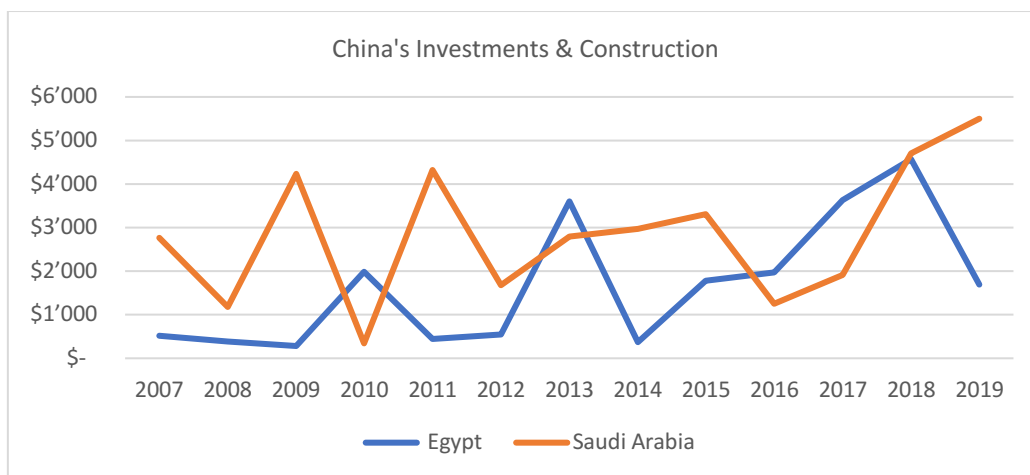


Figure 6: China's Investments and Construction in Egypt and Saudi Arabia between 2007 and 2019 (own illustration based on AIE China's Global Investment Tracker, 2019)

Based on figure 6, China's investments have been steadily increased in Egypt and Saudi Arabia since the establishment of strategic partnerships (Chaziza, 2020, p. 41). Egypt had its peak of Chinese investments in 2017 and Saudi Arabia in 2019. China's collaboration is mostly focused on energy and infrastructure development, especially the construction of seaports and transportation facilities, all of which are vital in enhancing navigation security (as already outlined in chapter 5.4: The Importance of the Middle East for China's BRI). Given the importance of the Suez Canal for China, China's SOEs have invested heavily in ports along the Suez Canal Corridor, from the Gulf of Suez to Port Said. More specifically, these investments entail port expansion and improvements, among them the Ain Sokhna port in Egypt. The new terminal basin at the port of Sokhna, located south of the Suez Canal in northeastern Egypt, began its main construction phase in 2018. By 2019, dozens of Egyptian and Chinese employees had been deployed to begin the next phase of the Basin 2 (Monthly Interaction, 2018). Sokhna Port is part of Egypt's Suez Canal Economic Zone (SCZone), a free zone and economic center along the banks of the

expanded Suez Canal (Chaziza, 2020, p. 42) (Blanchard, 2020, p. 20). According to Kamel (2018) China has made significant investments in the establishment of the China-Egypt Suez Economic and Trade Cooperation Zone, the only state-level Chinese zone in the Middle East so far. According to Xinhua (2019), SCZone connects with BRI which aims to interconnect and enhance global trade. Eighty-six Chinese enterprises have already invested over USD 1.1 billion there (Chaziza, 2020, p. 43). China's Tianjin Economic-Technological Development Area, also known as the TEDA Corporation, one of the oldest industrial developers in the SCZone, has been developing an area of over 7.23 square kilometers in the Ain Sokhna district of Suez province, east of the Egyptian capital Cairo (Xinhua, 2019a). It has completed its first phase, attracting some 68 companies, including Jushi, a fiberglass global manufacturer from China. The second phase in the industrial zone has started in 2016. This zone is considered important because it can create more employment opportunities in Egypt and increase the country's economic growth rates. Moreover, the Suez Zone in Egypt also offers many incentives for China including, for example, tax breaks. Within the zone, Jushi assisted Egypt in becoming one of the world's major fiberglass producers and exporters. With a total investment of about USD 600 million, Jushi is Egypt's largest Chinese manufacturing project. It produces more than USD 220 million per year and exports over USD 200 million per year (Herald, 2018). Furthermore, Jushi has provided 2,000 employment opportunities for locals while also paying the Egyptian government about USD 16.8 million dollar in taxes (Xinhua, 2018). In March 2015, the Egyptian government announced plans to build a new administrative city in Cairo, in a massive new project that would take up to seven years to complete. Still in process, it is designed to house more than 6.5 million people in an effort to reduce overcrowding in the current capital, which has more than 20 million inhabitants in its metropolitan area. This city is considered to be the birth of a new state. The project's first phase has been largely funded by Chinese SOE developers. Furthermore, China also funding a light railway line connecting Cairo to Egypt's new administrative capital to the tune of USD 1.2 billion (Nyabiage, 2021). According to Mohammed Shehata, Head of the Egyptian Transport Association, China is also regarded as the main player in rebuilding the railway infrastructure and developing Egypt's railways system, since China is preferred over European countries, offering both expertise and finance for development projects, usually at a lower cost (Chaziza, 2020, p. 45).

As can be seen in figure 7, China is indeed a longer-term partner in job creation in Egypt compared to the U.S. and the U.K., but the GCC is still very dominant in providing jobs in Egypt and the E.U. is the second job provider.

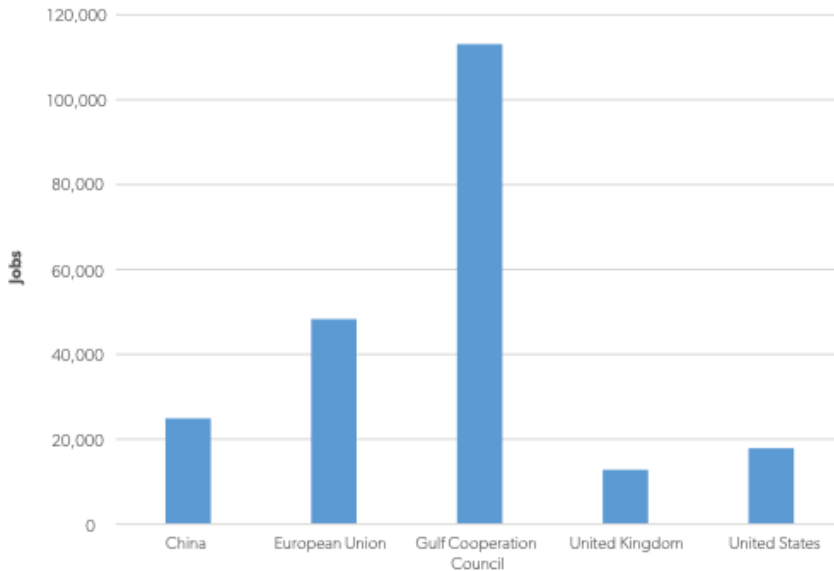


Figure 7: Total Number of Jobs Created by China in Egypt from 2003-2020 (fDi Markets, 2020)

Like Egypt, Saudi Arabia offers a significant geo-strategic location to the BRI. Saudi Arabia is a vast state that occupies about 80% of the Arabian Peninsula and is the only nation that has coastal access to both the Red Sea and the Persian Gulf. As the Straits of Hormuz and Bab el-Mandeb are potential bottlenecks in global energy markets, Saudi Arabia offers a possible alternative transit route across the Peninsula in case access to either road is restricted or closed (Fulton, 2020, p. 6). That is what China exactly needs to secure its navigation security and create alternative transport routes to bypass chokepoints. Furthermore, owing to Saudi ports such as Yanbu and Jeddah, Saudi Arabia's location facilitates the opening of the MSRI to the Red Sea, which makes the access easier for the Chinese civil fleets. Furthermore, the BRI opens up the markets of the Middle East, the Maghreb, Near East and South Europe through the linking of BRI and Saudi Arabia (Valantin, 2019).

Saudi Arabia, with a GDP of USD 700 billion, is a wealthier country than Egypt with a GDP of 360 billion, and is reliant on the oil and gas sectors that account for 50% of its GDP and about 70% of export earnings, that has been hit by the oil price crash (OPEC, 2020) (Paraskova, 2020). At the same time, Saudi Arabia's long-time importer, the U.S., has become economically alienated and has gradually reduced its dependence on oil

imports from the KSA. According to Bloomberg (2021), as of January 2021, the U.S. did not import any Saudi crude oil for the first time in 35 years. However, simultaneously, China's position in the economy of Saudi Arabia is rising (Chen, 2018a, p. 50). Therefore, China can help Saudi Arabia with its investments to diversify Saudi Arabia's economy. In 2019, China Railway Construction Corporation Limited secured a long-term contract with the Saudi Arabian National Petroleum Corporation to develop the infrastructure and pipes for the energy and industrial center, the King Salman Energy Park (Yurong, 2020).

Saudi Arabi's "Vision 2030" program aims to create new cities, link the large country through rail and road, and open up underdeveloped promising regions. Another big project with which China's BRI initiative complements "Vision 2030" is the future transnational megacity NEOM City near the Red Sea (Refinitiv, 2019, p. 8). This is a major project where China can lend their experience in urban planning and development to mutual advantage. As part of the Digital Silk Road (DSR), China also has its sights set on satellites in the Middle East. The Middle East uses China's BeiDou satellite navigation system, which is applied in the fields of maritime surveillance, telecommunications and precision agriculture (Al-Tamimi, 2019).

Egypt's and Saudi Arabia's telecommunications providers have both collaborated with Huawei, the China's leading global provider of Information and Communications Technology (ICT), to create 5G networks (GlobalData, 2019). Beside various investments in both states, trade cooperation is a key component of the BRI. The bilateral trade volume has increased since the establishment of diplomatic relations between KSA and China. In 2019, the two countries recorded a record-breaking USD 78.18 billion worth of trade, making China Saudi Arabia's top trading partner (Yurong, 2020). The largest part of trade with China is crude oil, which increased by 13% in 2019 (OEC, 2019). In contrast, the annual volume of trade exchange between China and Egypt has grown by 10.34%, reaching USD 14.56 billion in 2020 (Egypt Today, 2021), allowing China to become Egypt's largest trade importer (OEC.World, 2019).

Chinese enterprises working in the Middle East are largely centered on initiatives that contribute to BRI connectivity aims (Al-Tamimi, 2019). Egypt and Saudi Arabia are under pressure to diversify their economies; therefore, they are undertaking large infrastructure and construction projects. Chinese companies are uniquely well positioned

to benefit, with a competitive approach to infrastructure development. In its connections with other countries, China expresses the spirit of the BRI through the expression of mutual benefits. The growing economic presence in such states, as well as their participation in the national development projects, have greatly contributed to a favorable image of China and the BRI. Then, from the perspective of developing countries, China is regarded as a type of guidance or direction with a commercial rationale: supporting profit-seeking enterprises in better responding to global economic possibilities, addressing information gaps, and lowering risks and transaction costs (Bräutigam & Xiaoyang, 2012, p. 1). Infrastructure development and other areas in Egypt and Saudi Arabia bring a common ground to gain mutual benefits but also provides a convenient way for Chinese products to enter new markets and relieve its domestic overcapacity in steel, cements, and many more, and its needs for energy security (Guzansky et al., 2020, p. 110). While both countries benefit from their participation in the BRI, China is also cognizant that if the Suez Canal, for example, is constructed under Chinese supervision, it will have power and the capacity to potentially change trade and security dynamics of the region. Expert no. 6 (line 103-110) points out how ...

“... assisting a country in order to achieve their national goals might show goodwill but it benefits both parties, but it is not ultimately a form of soft power, rather a form of transregional cooperation, a form of development cooperation. But the whole idea behind this connectivity idea that the BRI puts forward, helping other countries develop, creating this connected world, might be a form of strategic communication that the Chinese leadership is applying to increase its image”.

6.2.3 Financial Aid

China has taken the lead in subsidizing the BRI through foreign aid which serves a dual purpose. It not only strengthens China's legitimacy as a state actor, but also helps China to profit from BRI expansion (Rahman, 2019, p. 318). China's development model or the Beijing Consensus offers another dimension of attraction. Wesley-Smith (2007) explains how China offers the developing country opportunities not available under established structures of power (X. Li & Worm, 2011). China's foreign aid principles leave recipient countries free to use the aid. Whilst Western donors grant international aid to developing countries, it is often attached with stringent conditions, which results in developing

countries not being able to meet the conditions of conventional donors such as the regional banks, World Bank and IMF (Rahman, 2019, p. 318). Often, these traditional donors prefer to finance social services, democracy promotion, administration, etc. The majority of donors do not include hard infrastructure finance. In its early days, 70% of the World Bank funding went to economic infrastructure; today, it is just about 30%. Related to that, building big infrastructure with Western donors is time-consuming and bureaucratic (Dollar, 2020). Due to this constraint, developing countries seek an alternative source of financing for the funding of big projects. The Asian Infrastructure Development Bank (AIIB) is the main spearhead of China's BRI (Yu, 2017). This bank aims to assist and accelerate infrastructure development in partner countries by providing loans and know-how assistance (Liu et al., 2020). This view is also shared by expert no. 2 (line 119-120) who says: *“This can be seen as a chance by many countries. The conditions of China for financial aid are not fixed, like the ones from the IMF. In difficult economic times like those in Egypt, these loans could help to develop its infrastructure”*.

As a result, financial assistance may be used to fund BRI that support economic growth in partner nations while also acting as soft power (Liu et al., 2020) Based on Saifur Rahman (2019, p. 319) the financial assistance for BRI is presented in a convincing rather than coercive manner, for example, sanction or embargo. As a result, the financial support for development projects can serve both as persuasion as a cooperative manifestation form of soft power or in terms of agenda setting (Rahman, 2019, p. 309).

Moreover, according to Vision and Action of the BRI (2015), it asserts that financial integration is a critical pillar for carrying out the Belt and Road Initiative. Because currencies hinder cross-border operations, a widely used Chinese currency, known as the RMB, would minimize trade costs, account settlement time, funding shortfalls, and exchange-rate risk for Chinese enterprises (Fenech, 2019). Renminbi reserves are already held by more than a five dozen states and regions (Bateman, 2018). Some argue that internationalizing the RMB would boost China's geostrategic clout and the international use of the renminbi may also boost China's soft power symbolically, because currencies have traditionally been viewed as a key symbol of sovereignty, with broad cross-border usage indicating the elevated ranks of issuing governments (Chey, 2013, p. 3). In 2016, China signed bilateral currency-swap agreements with Central Bank of Egypt with a scale of RMB 18 billion (approx. USD 2.6 billion) for three years, which can be extended by

mutual consent (Central Bank of Egypt, 2016). This agreement shows the strong international support that the Arab Republic of Egypt has received in relation to its domestic reform program, and that this is also aimed at unleashing the enormous potential of the Egyptian economy with the help of China. These swaps make it possible for some trade to be invoiced in the counterparties' currencies, thus reducing the pressure on dollar funding (Umeano, 2019). All the interviewed experts who were asked the question about the RMB were keen to point out that the institutionalizing of the currency can be seen as a soft power utilized by China through the BRI.

China's lead in establishing the AIIB shows that the bank guides the course of the BRI projects, it focuses on projects in its member territories, so there is a financial incentive for countries to join. Since its establishment, the bank has attracted the memberships of over 100 countries, Egypt including, showing China's popularity (Hong, 2020). Saudi Arabia is one of the founding members of the AIIB that has joined in 2016 (AIIB, 2021). By becoming a founding member of the AIIB, a country accepts the standards set by China and recognizes China's leading role in this international financial institution (Peng & Tok, 2016). This is a way of legitimizing China's power in the eyes of others. Expert no. 2 (line 119-120) makes an interesting point about the AIIB – that China can use it to increase its national interest in the financial sector, in particular, to promote the internationalization of the RMB and to provide a counterpoint as a new multilateral financial institution to existing institutions like the World Bank led by the U.S. or the Japanese-led Asian Development Bank. China claimed that it will not exercise its de facto veto power in the AIIB, stressing that Beijing in the AIIB will not be the same as Washington in the World Bank. Also, as President Xi mentioned: “It belongs to all member states” (Jeong, 2019)

This stance on voting rules in the AIIB also illustrates the image it wants to build in the eyes of other countries. By creating a stark contrast to the dominance of the U.S. in the Bretton Wood institutions, China is attempting to project itself as an egalitarian, benevolent player on the international stage. In the AIIB, it thus projects the image of a leader among equals. Whether China is actually such a leader remains debatable, but this construction of this positive image reflects Beijing's efforts to strengthen its soft power. Through subtle, benevolent leadership, Beijing aspires to make itself an attractive partner

for other states. From this perspective, the AIIB seems to be a good starting point for setting the agenda and strengthening the appeal of China.

6.3 Cultural Soft Power Applied by China

People-to-people bond is one of the key aspects of cooperation and is placed as a crucial core of the BRI. Based on the official website of the BRI (2017), the people should always be put first. For the building of the SREB and MSRI, to a large extent, it needs first of all connectivity of people and people-to-people exchanges. This is conducive to reaching a consensus, which is essential for crossing geographical boundaries with countries from different cultures. The exchanges should happen among the BRI participant countries through education, hailing the potential of academic exchange, BRI scholarships, collaboration in jointly run schools, research cooperation, entrepreneurship training, and skills development (Belt and Road Portal, 2015). This approach is clearly a pillar of cultural soft power that China is using through the BRI. As Nye refers, a nation has the ability to influence others in a gentle way through its culture. As soft power has been a dominant characteristic of Chinese foreign policy, culture has played an important role in China's strategy as a state with a rich cultural and historical history. Based on Nye, an appealing society contributes to a favorable image that enables a state to be more dominant. China is in a favorable position in this respect since its civilization is one of the world's oldest and serves as an inspiration for how an ancient civilization can rise and thrive in the modern world. Mahfouz (2002) argued that Arab communities should learn lessons from China, whose historical and social practices are more closely related to those of the Middle East (Britannica, n.d.). Beijing aspires to make Chinese culture one of the strongest in the world by implementing a cultural strategy aimed at promoting its own national interests.

6.3.1 Educational Exchanges

The Confucius Institutes, whose aim is to educate the world about Chinese culture and language, was named after the philosopher Confucius, who lived between the fifth and sixth centuries B.C. According to Confucian philosophy, the world has a natural order and a balance that links nature, humanity, and heaven (Kirk, 2015). The institutes are thus associated with the concept of China as a place that values harmony and solidarity, particularly in IR. Confucius Institutes enable people to study the Chinese language and

culture in order to better understand China (Q. Li et al., 2020, p. 6). Based on expert no. 1 (line 195-196), studying abroad, e.g., in the U.S. or Europe, influences one's choice in life afterwards.

In the case of Egypt, there are currently two Confucius Institutes, one at the Suez Canal University and one at Cairo University, each with branches in other provinces. Based on the official website of the Confucius Institute (n.d.), it is a non-profit public educational organization linked with the Ministry of Education of the PRC. Hassan Ragab, the Director of the Confucius Institute at the Suez Canal University in Egypt, has praised the Chinese language institute for improving mutual understanding and collaboration between Egyptians and the Chinese people. According to him, Egyptian students are keen to learn about Chinese culture and language because they see China as the role model for developing countries (China Daily, 2018). In another article, it is mentioned that these institutes receive students from non-related faculties such as from engineering, science, law, and commerce, as well as tour guides who are eager to learn the Chinese language for career development (China.org.cn, 2016). In 2016, the Confucius Institute at Cairo University was even recognized as a leading international institute for Chinese language education (Cairo University, 2018).

According to the official website of the Cairo University (2018), it states that the university is cooperating with China to create the biggest Confucius Institute in the Middle East. In 2020, the Minister of Education of Egypt even signed a MoU with the Confucius Institute in China with the aim of providing the Chinese language as an elective foreign language subject in preparatory and secondary schools in pre-university education. Furthermore, a specialized center for teaching the Chinese language will be established in Egypt, where Chinese language experts will teach students and a Chinese curriculum will be developed to be taught in schools. This is in light of Egypt and China's cooperation through the Global Partnerships for Effective Development platform to promote Egypt's "Vision 2030", the national development agenda, and to achieve the U.N. Sustainable Development Goals (SDGs) (Kharoshah, 2020). According to a spokesperson from the Ministry of Education, this is an opportunity to contribute to the achievement of Goal 4 for quality education, which is aligned with the SDGs, by ensuring that Egyptians learn the knowledge and skills required to expand their life and job

prospects and widen their horizons (MENAFN, 2020). This arrangement is part of the increasing Egyptian-Chinese relationship.

Expert no. 5 (line 144-146) observed that even politicians from the Ministry of Foreign Affairs in Egypt started to learn Chinese and is convinced that within the coming 20 years, Mandarin will be a language that will need to be studied more frequently. In contrast, expert no. 4 is not convinced that China is very present in Egypt, explaining “*the French Centre, for example, is much more active in terms of activities, educational programs and book launches, and thus has a wider reach than the Chinese one, therefore I do not believe that this will change in the near future*” (line 86-92).

In the case of the KSA, there are no Confucius Institutes in Saudi Arabia yet, but China and Saudi Arabia signed an agreement in 2019 in which China will assist the King Saud University, Saudi Arabia's most renowned university, in creating a Chinese language department, with a proposal of the later establishment of a Confucius Institute at the university being discussed, a step that will lead to increasing cultural and trade relations between China and Saudi Arabia (Aiqing, 2019). However, such a comprehensive revision of the curriculum would be a long-term project and it has not yet been publicly announced how or when this would happen. But this is clearly a sign that China seeks to expand its influence in Saudi Arabia.

Overall, the Confucius Institute can serve as a think tank for the Belt and Road Initiative as well as an information exchange platform between China and these nations in order to improve the environment for trust, mutual understanding and promote economics with culture. The Confucius Institutes provide Egypt with the opportunity to learn about China and receive essential knowledge on building economic cooperation with China, which in turn helps China's political and economic goals. Mattern (2005) states that the exercise of language can be used to transfer forces that generate attraction between people. Consequently, China would be able to transform its reputation in the minds of people in those states.

Since 2013, there has also been the Middle East's first Chinese university in (ECU) in Cairo (ECU, 2017). In addition, fifteen Egyptian universities have introduced a major in Chinese (Chen, 2018b, p. 230). China also launched scholarship programs for students

from BRI nations to study in China to foster cultural interaction as part of the BRI. Starting from 2013, Chinese governments accepted 400 Egyptians student to study in China in cooperation with the ECU (Al-Youm, 2013). And in 2019, China provided more than 300 scholarships for Egyptian nationals (Al-Aees, 2020). According to the official website of the ECU (2017), Egypt and China share numerous similarities, including a strong understanding between the two nations and the potential to learn more from one another. These aspects, as detailed on the university's webpage, demonstrate China's appeal to Egyptians seeking to establish a Chinese-Egyptian community with a shared destiny. This is also a clear sign of China's further opening of its educational institutions to the outside world in order to facilitate people-to-people exchange between countries, and such educational outreach is likely to increase in near the future. However, four out of the six interviewed experts took a more reluctant stance when it comes to soft power through educational exchanges, although all recognize that this can wield soft power, they do not see it as present in those states for the time being. And one expert did not even know about the existence of Confucius Institutes in these states.

In China's interaction with the Middle East, outbound tourism has become a critical soft power tool (Chaziza, 2019a). As the number of Chinese employees, visitors, students, and businessmen traveling abroad grows, contact with local communities plays an important role in shaping China's positive regional image and fostering understanding among its partners. Most Middle Eastern nations acknowledge and welcome Beijing's enormous tourist population with its purchasing power, as it is likely to have a significant impact on a destination country's tourism sector (Chaziza, 2019b). According to expert no. 6 (line 160-161), tourism is a classic example of soft power, saying: *“Sending people or making people travel to those states, for example, having China's experience. This might be a major element”*. This is also shared by the other experts.

According to Oxford Economics and credit card company Visa (2016), the total value of Chinese travel spending globally is expected to reach USD 255 billion by 2025, with China continuing to be the strongest country in the global travel market in the next decade. In an interview by Al-Ahram with Wang Yi (2020), the interviewer noted that in 2019, approximately 500,000 Chinese tourists visited Egypt and Yi was asked about his thoughts on increasing Chinese tourists to Egypt. Yi replied that Egypt is a major tourist destination with rich tourism resources. Then, tourism is one of Egypt's cornerstone

sectors, and tourism cooperation is also a critical part of China-Egypt cooperation. He further noted that in the past three years, the number of Chinese tourists visiting Egypt has risen by more than 30% annually. This phenomenal rate is much faster than the overall increase of Chinese tourists' overseas trips, and it represents the enormous potential of tourism cooperation between Egypt and China. Therefore, the BRI has the potential to attract Chinese tourists and businessmen to these states.

In contrast, expert no. 4 (line 302-308) outlines that *“Saudi Arabia is still only in the beginning stages of opening up its society and is still in its infancy”*. For a long time, Saudi Arabia was a challenging place to visit for the casual traveler. This has been changed in 2019, when the government has introduced a new visa system that accepts tourists regardless of their religion. After only a few days of the introduction of the new visa system, about 24,000 visitors travelled to KSA, including 7,391 visitors from China (Arab News, 2019). This is also a part of the nation's plan to stimulate economic diversification. China's ambassador to Riyadh said that Saudi Arabia will become soon an attractive tourist place for Chinese and that developing the tourism sector will further help achieve its *“Vision 2030”* (Hassan, 2019).

As China aspires to improve its ties with Middle Eastern countries, soft power means such as outbound tourism will be used to supplement expanding political and economic exchanges. The most recent examples of Beijing's exploitation of outbound tourism, as exemplified by the usage of travel advisories (Chaziza, 2019b). This is visible with the U.S.'s relocation of its embassy from Tel Aviv to Jerusalem and acknowledgment of Jerusalem as Israel's capital in December 2017 (Tanas, 2019). Two days after the former U.S. President Donald Trump announced the U.S. decision, the Chinese Foreign Ministry issued a travel warning for Chinese travelers planning to visit Israel (Lo, 2017). The travel advisories were ostensibly issued to warn Chinese visitors to Israel of the potential tensions and conflicts, but they also communicated frustration with the U.S. decision that harmed their interests. The travel warning, which lasted until January 2018, caused several Chinese business delegation visits to Israel to be canceled, as well as a major decline in Chinese tourist arrivals (Levy, 2017). This use of travel advisories can also be regarded as a soft power tactic of China.

6.3.2 Humanitarian Aid

Health cooperation is a part of the BRI which carries China's commitment to BRI countries. Since the COVID-19 pandemic emergence, China has sought to improve its international health cooperation under the people-to-people exchanges component of the BRI (Cao, 2020, p. 19). Through the BRI, Beijing has linked pandemic response efforts in aid-recipient countries with the possibility of cooperation after the pandemic. Since most of the world's mask factories are based in China, China has a near monopolistic position in supplying the world with masks and medical kits (Cao, 2020, p. 25). According to Chow Bin's analysis of the implications of the Covid-19 on BRI (2020, p. 14), he observed that especially countries that were medically under-equipped quickly received donations of urgently needed aid from China. In addition, Beijing has sent many medical professionals to the countries to provide assistance. Drawing on research by Moritz Rudolf of the German Institute for International and Security Affairs (2021, p. 3) on China's health diplomacy during Covid-19, he found that aid deliveries came not only from China's central government, but from a variety of actors, suggesting that China was pursuing its strategic interests in the recipient country. For example, Egypt received masks from the Xinjiang Autonomous region. Donors included construction corporations, banks and extractive firms in states where Chinese SOEs conduct BRI projects. For instance, Huawei supported countries where the company also pursued a strategic interest in 5G expansion (Rudolf, 2021).

Based on Reuters (2021), Egypt received, in March 2021, the second shipment of a total of 300,000 vaccines (the first was 50,000) donated by China. Furthermore, in a USD 265 million contract signed in 2020, China plans to deliver 500 technician specialists, six test laboratories and 9 million coronavirus test kits to Saudi Arabia. China also declared to train and assess Saudi staff in COVID-19 testing (Radwan & Obaid, 2020). Above all, this demonstrates Beijing's desire to be regarded as a responsible major power. These types of support are connected to the objective of building wide support for the BRI, which is highlighted in different BRI documents.

In a speech to the World Health Organization (WHO) in Geneva on May 18, 2020, Xi Jinping declared that China will have an inexpensive vaccine for the world and provide it as a “national public good” (CGTN, 2020). President Xi also pledged the WHO USD

2 billion to battle the pandemic. China's involvement in the battle against the disease has become more linked to the BRI narrative, such as the benefits of global connectedness and the building of a “global community of destiny”. For years, China has been using precisely the same wording, which can almost be described as classic BRI-rhetoric. China has fared well in the present crisis due to its political determination, resilience, and logistically advantageous starting position. Many countries could not rely on humanitarian aid from the U.S. at the beginning of the pandemic, whereas China quickly became involved in international humanitarian aid, giving China a positive image, especially in the Arab world (Rudolf, 2021, p. 5). Moritz further notes that the DSR, which is also a part of BRI, is now being linked with the pandemic, which is now on the agenda and can help to boost partner countries to use the application (i.e., to facilitate contact tracing). Following the pandemic, China could further increase its influence in major BRI countries.

It is notable that China has acted strategically and farsightedly in this situation with its health diplomacy that combines measures to fight the pandemic with BRI promises gives another main source of soft power. This view was shared by all experts. Expert no. 6 (line 76-77) adds to this conclusion by saying: *“These initiatives aim to create a responsible and trustworthy international partner image of China, especially in light of the fact that China is often accused of being self-conscious or a threat to countries.”*

7 BRI Pitfalls: Economics, Ecology, and Politics

In the course of the analysis of this paper, it has become apparent that China's soft power in Egypt and Saudi Arabia has increased rapidly through the BRI in Egypt and Saudi Arabia. China's rising emphasis on deepening relations with these two states has proved its commitment to these states. This close cooperation between China and these countries is promising for the future. However, it also brings certain difficulties for these two countries.

7.1 Trade Imbalance and Debt Trap

China has declared its intention to promote a balanced and sustainable trade development within the BRI. However, based on the statistics listed below, Egypt imported a much larger amount of goods from China between 2014 and 2020, leading to a large imbalance in trade between the two countries. This imbalance of trade can have a detrimental impact on the balance of payments, putting the country's macroeconomy in jeopardy. Expert no. 6 (line 221-227) assumes that there is a risk of dependency on China, which does not affect Saudi Arabia much, but it does especially affect Egypt through loans with usually very long periods of maturity. The expert goes on to say that China is doing this very strategically to tie countries to China. In contrast, expert no. 5 (line 181-183) is convinced that this does not refer to Egypt, saying that Central Asia is more affected by this.

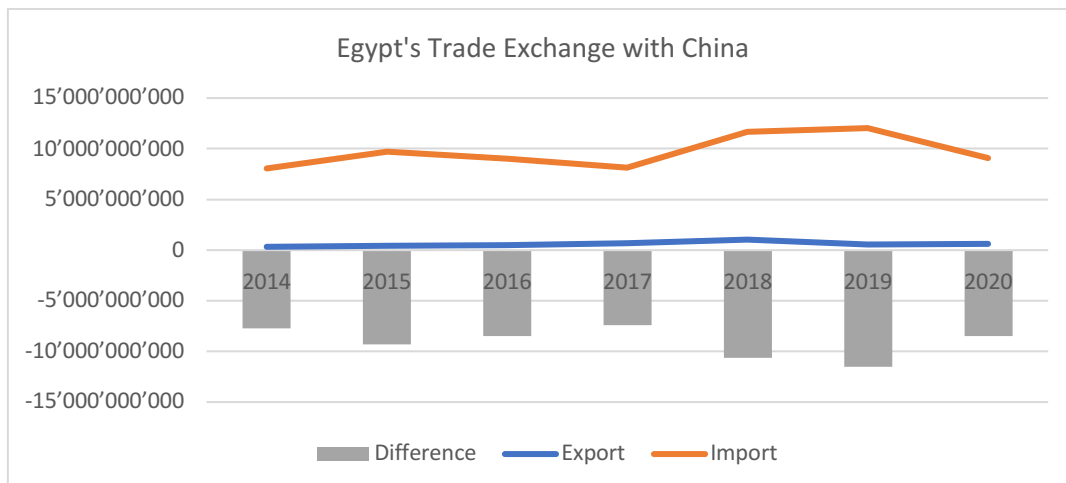


Figure 8: Egypt's Trade Exchange with China between 2014 and 2020 (own illustration based on UN Comtrade Dataset, 2020)

According to the Central Bank of Egypt (2021), Egypt's total external debt remained at USD 125.3 billion at the end of September 2020, of which 90.2% are long-term debt. This makes up 33.5% of the country's GDP. Debt distribution by creditor indicates that USD 44.3 billion were owned to multilateral institutions, like the IMF and the International Bank for Reconstruction and Development. Furthermore, USD 24.6 billion was owned to Arab countries and an additional USD 7.1 billion was owned to China. Many Western countries have accused the BRI of being a potential debt trap, as indicated by Expert no. 6. With regards to Egypt, there is no factual justification for the assumption that cooperation between Egypt and China could lead to this debt trap. According to Chen (2018b, p. 233), this is because the projects are market-oriented, and a substantial portion of the investments and loans are medium- to long-term and relatively low risk, taking into consideration Egypt's economic progress and loan repayment ability. This is also supported by the policy paper of the Center for Global Development (2019, p. 149), in which it states that for Egypt, the level of sovereign-backed lending for BRI projects in relation to the scale of their economies or total external debt exposure is insufficient to have an appreciable impact on debt levels. In addition to this, Egypt's foreign debt levels are within safe limits, according to the IMF (Daily News Egypt, 2020).

7.2 5G Security Threat

As stated in chapter 6.3.4, the DSR is an integral component of the BRI. In large parts of the developing world, there is still a lack of adequate infrastructure for digital networking. Without it, several countries may be at a competitive disadvantage in the global economy and could slip further behind (Ghiasy & Krishnamurthy, 2020, p. 9). By supplying or aiding in the funding of this crucial infrastructure, DSR-related projects can help bridge that gap and stimulate growth. DSR aid is used to strengthen recipients' artificial intelligence, smart cities, surveillance technologies and other high-tech fields (Council on Foreign Relations, n.d.). Some critics of the DSR argue that it will be used by China to let recipient nations to emulate China's model of technology-based dictatorship, which will be harmful to sovereignty and personal freedoms (Kurlantzick, 2020a).

Based on the report of the Council on Foreign Relations (n.d.), it has been observed in the past years that Beijing has trained DSR-countries to better manage their internet through filtering, data localization and monitoring. An article in *The Diplomat* (2020)

says that Huawei is perceived as a promising future for 5G in the Middle East. Under the DSR, Egypt and the KSA have signed several MoUs.

Cooperation with Egypt has developed rapidly, e.g., through the construction of a cloud computing center in Egypt and China's increase in funding for Egypt's telecommunications sector. Both Saudi Arabia and Egypt urgently need to upgrade their existing infrastructure to connect to low-cost 5G networks (Council on Foreign Relations, n.d.). While Egypt benefits from this cooperation, there are still concerns about allowing Chinese firms to build countries 5G networks and other infrastructure that could be used to spy on and coerce political elites. This may have also prompted Egypt to implement a cybercrime law in 2018, putting the country closer to China's internet model. The law allows the Egyptian government to further restrict internet freedom and track political activists. Already, media freedom has declined in Egypt since the military seized power in a coup in 2013 (Kurlantzick, 2020b)

Some activists and analyst have also raised concerns that Chinese assistance to smart cities will allow regimes to use data amassed in smart cities to control and repress populations (Kurlantzick, 2020b). Huawei has not only been selected for Saudi Arabia's 5G deployment, but it is also working to build smart cities like Neom (The Economic Times, 2021). As indicated in Chapter 6.3.2, the COVID-19 epidemic has pushed many countries to monitor their populations, which has raised demand for Chinese surveillance and telecommunication tools in the developing countries. There is strong competition between the U.S. and China in the area of surveillance technology, and this will continue to be a point of conflict between the two countries, with potential implications for Saudi Arabia and Egypt (Brookings Doha Center, 2020, p. 3). Expert no.1 (line 49-54) takes the example of Israel, as China wanted to get involved in 5G in Israel; *"this was clearly a security issue for the U.S. as they are very present in Israel and fear that this may compromise their kind of intelligence and that they may be monitored or surveyed in that way. So, they put pressure on Israel to exclude China from Israeli 5G networks. So, the U.S. is still going to draw some red lines as to how far it thinks its allies should get close to China"*. Moreover, the expert explained that it is difficult for these important allies to balance the economic interests that are clearly linked to good relations with China and the kind of security interests that are linked to good and close relations with the U.S.

In additional to this, expert no. 3 (line 112-117) stresses by saying that *“the U.S. has already made very clear statements through the State Department, almost saying at one point that the region is going to have to choose. It is basically telling them you cannot have your security from our part and then you are undermining our security by importing all kinds of technology by developing that kind of relationship with China, specifically because we have the rising U.S.-China tensions to consider in this regard”*. So therefore, this might also be a challenge for the KSA and Egypt in the near future.

7.3 Environment Challenge

According to Council on Foreign Relations (2021), the majority of China's energy financing is directed toward nonrenewable sources. Chinese banks were found to have granted 91% of loans in the energy sector for fossil fuel projects between 2014 and 2017. Since 2013, China's BRI has allocated more than USD 50 billion in state funds to build coal facilities in 152 countries overseas. These large-scale investments in coal and other fossil fuels have the potential to lock in carbon emissions for many years. Continued investment in fossil fuels will make responding to climate change considerably more complex and expensive. In 2019, China has pledged to make its BRI investments “clean, open and green”. The Hamrawein coal-fired power plant in Egypt, with a consortium of China’s Shanghai Dongwei Electric Appliance Company, a deal worth USD 4.4 billion, has reportedly been postponed indefinitely. This could be a good indicator, as well as the fact that renewables accounted for the largest share of new BRI energy investments in 2020 (Institut for Energy Economics and Financial Analysis, 2020). Nonetheless, non-hydro renewables received just 11% of China’s overseas producing capacity in 2020, compared to 40% for coal. This can be explained by the fact that the BRI’s emphasis on coal is owing to China’s overcapacity, helping to create new markets for Chinese coal and the demand among developing nations as they tend to regard fossil fuels as less expensive and more durable than renewables. In addition, this also allows Chinese firms that have been put under pressure at home owing to environmental regulations can help compensate for some of their losses overseas in this way. Based on the World Bank’s studies on the environmental risks of the BRI (2019, p. 2), the financing BRI investments in fossil fuels, particularly coal-fired power plants, would lock host countries into fossil fuel dependence for decades and could prevent countries from meeting their national carbon targets under the “Paris Agreement” on climate change.

7.4 Political Tensions

The growing importance China attaches to Egypt and Saudi Arabia, who have long been allies of the U.S., puts it at risk of conflict with the U.S., which has been the unchallenged force in the region since the British departed from the Persian Gulf over three decades ago (Alterman, 2021, p. 63). With China's rising prominence in the Middle East, rivalry with the region's traditional dominating power, the U.S., has intensified (Osman, 2017, p. 29).

With the recent fall in the U.S. reliance on Middle Eastern energy, notably Saudi Arabian oil, the country's participation in the area has dwindled (Al-Tamimi, 2019). As the U.S.'s lengthy dominance over the area begins to wane, many policymakers across the world are questioning the region's future and if China would strive to fill the void left by the U.S. (Lin, 2014). All interviewed experts recognize the disengagement of the U.S. in the Middle East region, especially in Saudi Arabia. As expert no. 6 (line 12-23) outlines: *"because of this, China is reacting, being more proactive in its approach to the Middle East. But China is nonetheless doing so in a rather cautious way because it is a newcomer to the region. But when it comes to such as hard power and security relations, China does not seek to substitute or even flank Washington as a security guarantor, which sort of revokes that narrative that China is filling a void or vacuum created by the U.S"*. Furthermore, expert no. 3 (line 49-55) explains: *"Saudi Arabia finds itself in a very precarious position. There is a strong Iran to the north that has involved itself throughout the region. And the world is wondering where does the future security of the Saudi regime come from, if not from the U.S.? And therefore, what Saudi Arabia is very much doing is trying to hedge its IR, hedge its foreign policy and look for possible alternatives"*. Now, for the time being, expert no. 6 and also the other experts clearly recognize that the U.S. is the only country able and possibly willing to come to the defense of the KSA if there was to be a very serious direct threat against the regime.

Moreover, expert no. 3 (line 57-62) argues: *"There is no trust in that sense in terms of Russia or China filling the shoes that the United States has filled in the region for the last two decades. But it is a changing relationship because there is a clear understanding that the United States is weary of its Middle East involvement. It wants to end its involvement. President Biden's announcement of withdrawal from Afghanistan is a very clear example of that. And therefore, the states in the region need other options. And certainly, looking*

for other powers is one way to see how to provide for their security, but China is clearly not an alternative to the United States due to its limitation as a security provider and therefore Saudi Arabia is cautiously handling their relationship with the United States”.

The expert further explains that Saudis are aware that China has tight ties with Iran, thus separating from the U.S. is not in their long-term interests.

Expert no. 1 (line 28-33) agrees, by saying, *“Russia took this advantage by stepping in but only in a relatively limited way in some security context, but it is not a big economic actor and cannot be because it does not have the economic weight, whereas China does”.*

The expert further stresses that China is more involved in the economic sphere in the region, while the other players like the U.S. are not, as the U.S. was mainly involved in the security or military spheres. It has not used a kind of trade policy and big infrastructure projects to engage with those countries. Furthermore, expert no. 2 (line 9-10) and expert no.5 (58-59) point out the role of China in the U.N. Security Council: *“China is important not only on an economic level, but also because of being a permanent member of the U.N. Security Council, which has a lot of influence”.* Expert no. 2 (line 10-17) emphasizes this by saying, *“when states from the Middle East have disagreements with the United States or with the West, they cannot really count on Russia, they look for China to help them.”*

He continues (line 19-21): *“It is clear to the region that they rely on their military and financial relationships with the U.S., but at the same time, they always emphasize in bilateral talks that China is very important for them to balance this unequal relationship they have with the U.S”.*

The more China engages in Egypt and Saudi Arabia through the BRI, the more it will have to think about securing its ongoing investment and trade flows in the near future, which points to the challenge of eventually transferring the BRI from the economic sphere to the security sphere. As expert no. 5 (line 184-186) concludes: *“Once you start with trade and then you end up with politics”.* On the contrary, expert no. 4 (line 104-108) says that the transfer of the BRI from the economic to the political sphere is not likely to happen, saying *“in the end, it is a mutually beneficial project for two trading partners, that is it”.*

8 Conclusion

This chapter is divided into two sub-chapters. The first sub-chapter begins by providing a summary of the thesis by explaining how the objective of the thesis was accomplished and gives a final answer to the research question, followed by an outlook on the area under investigation. The second sub-chapter presents the limitations and recommendations for further research.

8.1 Summary of the Thesis and an Outlook

Many of the realist scholars think, despite China's doctrine of peaceful rise in the international community, that the BRI is a hidden attempt by China to draw Middle Eastern countries into its sphere of influence. So, from a realist perspective, the BRI with its infrastructure investments only serve to strengthen China's national interests and enable China to pursue regional hegemony through this project. From the analysis, China's strategic approach to protecting supply lines cannot completely support the realism perspective. As a result, this realism stance cannot be sustained because there is no concrete proof that China's infrastructure exploits the economy of nations engaged in BRI projects.

From the analysis, China's strategic actions in securing supply lines does not fully support the realist position unless there is clear evidence that Chinese-led infrastructures exploit countries' economies taking in the BRI projects. But as briefly outlined in chapter 6.2., China is involved in projects that also bring major benefits not only for China but also for the counterparty, taking into consideration the policy coordination and economic corporation, and facilitates connectivity, unimpeded trade, financial integration, etc. through multilateral mechanisms and multilevel platforms rather than seeking to reinforce hegemonic power. Thus, the realist argument that the China-led BRI serves primarily China's national interests does not receive adequate evidence.

Furthermore, realist experts believe that China is attempting to expand its sphere of influence in the Middle East with the BRI. Examining this influence by applying the soft power theory in Egypt and Saudi Arabia, the BRI does have soft power to attract and therefore influence in the cases of Egypt and Saudi Arabia. As states like Egypt and Saudi Arabia strive to enhance social welfare, their eagerness allows China to use the BRI to

further this ambition. The goal of the BRI, as it is commonly stated, is to find common ground while disregarding differences in the favor of prosperity in order to persuade other nations to participate in the BRI and to showcase China as an appealing partner. From the BRI's perspective, there is clearly soft power involved in the political, economic, and cultural domains. By taking the five cooperation goals of the BRI, it could be determined that in the political domain, the political philosophy surrounding the policy of non-interference and neutrality is attractive to Egypt and Saudi Arabia. According to the analysis, building partnerships on a win-win basis and leveraging participants to foster development are effective instruments of Chinese soft power – especially because of China's economic development model, which is considered a model worth emulating in these states. Moreover, the BRI promotes people-to-people exchange, which falls within the domain of culture and can be seen as a catalyst for soft power. Although China is starting from a low level, but clearly Middle Eastern countries are becoming more culturally aware of China through the BRI-funded education exchanges or the latest support during the Covid-19 pandemic. China projects itself as distinct from Western countries because it has no colonial history in the Middle East. Thus, the paradigm that China seeks to create is apolitical, development-focused, and favorably distinguishable from that of rival powers. China's conduct on the international stage, which emphasizes multilateralism, neutrality, and noninterference, is meant to reinforce this paradigm and portray China as not only benign but also a responsible global leader who can be trusted in contrast to a more interventionist West. This narrative contributes to China's two key aims in the Middle East region: establishing long-term economic alliances that can drive China's growth and providing diplomatic security to safeguard China from isolation or repression by Western countries.

By taking into account all the findings from the analysis and the interviewed experts' contributions, China's BRI fully meets the criteria specified by Nye and other theories on soft power. This means that China does not resort to coercion and threats to realize the BRI. Based on the legacy of the Silk Road, the BRI relies on peace and cooperative openness and inclusiveness, instead of confrontation and protectionism. These principles are based on persuasion and attraction rather than coercion and threats. All these and those mentioned above make BRI a genuine soft power instrument. It is clear that the BRI has both hard and soft powers, hard power especially when it comes to Chinese economic capacity in the form of material and credit capacity to carry out the BRI. Taking this hard

power and the attractiveness of China through the BRI that provides opportunities for countries, underscores this interdependence of hard and soft power resources. Based on Nye's theory, this combination would be considered rather as a smart power. Nevertheless, the soft power involved in the BRI is regarded as rather limited, in the view of the experts on Egypt and Saudi Arabia throughout the analysis. Although China has won the confidence of these nations and their leaders through aid and assistance, there is still some limitation in the cultural domain, such as educational exchange. Further, it needs to be noted that China is a relative newcomer to Middle East geopolitics. And also, the promise of win-win cooperation, mutual development, and no policy conditionality is yet to be fulfilled. Thus, it may be more successful once the projects are fully realized, and they deliver their goals. Until then, it is still a long way to go before China fully utilizes its soft power. And the way China operates on the global stage shows a different approach, indicating that not everything should be compared to Western concepts and standards.

It is sure that China and the Arab states are complementary in terms of natural resources, industrialization, industrial structures, and creating great potential for economic partnerships which are long and reliable. As the Arab world moves towards the East and China approaches the West, the two sides can get closer through the BRI. As both sides see clear benefits in developing their relations under the BRI, China and Arabia will continue to grow closer through the BRI in the near future. China and the Arabs have similar inclinations and strive for larger common interests within which smaller differences can be absorbed. That increased cooperation and investment between the Sino-Arab worlds is evident politically as well, but economic interests are the primary consideration in the burgeoning comprehensive strategic partnerships. The concept of the BRI fully fits into the common aspiration of both sides, which shows a positive-sum interaction. But as China's economic footprint in the region increases, it brings certain responsibilities with it. And if China is not offering these, at one point, the cooperation with partners in the region might call for and request that. Despite China trying to establish a network of allies, China seems to be determined to keep sound relations with all the major players in the region, to retain a low profile to avoid any kind of conflict entanglement like with the U.S. In keeping with this outlook, from the perspective of the experts in the interviews, it will not militarily challenge the U.S. rather uphold its economic statecraft, an approach that has already strengthened its regional influence

through these BRI projects. But then the question for the future is to what extent China can implement these huge projects without taking over a security role? Aside from regional security concerns about terrorism, economic issues, and the immediate need for investment, trade and infrastructure, China's BRI gives economic relief to Egypt and Saudi Arabia. As China takes a more major geopolitical role in the Middle East, countries in the region may become overly reliant on China for investment and trade. At the same time, it will allow the countries of the region to reduce the dependency on the West and diversify their portfolio of international partners and their economies. However, this multilateral long-term cooperation, that has never existed to this extent before, can be seen as a promising enrichment for all countries concerned. Therefore, the ancient Silk Road, led by the BRI, is a start to regain its glory, and Sino-Arab relations could open a new chapter. Nevertheless, it can be said that the success of the BRI ultimately depends on the engagement of all affected countries in a constructive dialogue. However, such dialogues will be the beginning of a long economic and political journey and will require patience and trust-building from all parties.

8.2 Limitations and Recommendations for Further Research

This thesis faces several limitations. First, the concept of soft power's lack of analytical strength was a challenge throughout the analysis, as it was difficult to quantify soft power and thus measure its success. Moreover, the distinction of the complex interconnectedness of soft and hard power of the BRI was an additional challenge. Therefore, it is based on simplified assumptions and cannot fully reflect the soft power exercised by the BRI in Egypt and Saudi Arabia. Hence, it was challenging to determine the extent to which China's soft power is exercised in real influence by the BRI. Therefore, the results presented here might deviate from the actual situation and should be considered as an insight to China's soft power through BRI rather than as an absolute reflection. Moreover, the selected case study represents only one side and, therefore, the findings should not be generalized to other countries, as soft power is implemented and perceived differently in countries other than Egypt and Saudi Arabia. Even though Egypt and Saudi Arabia belong to the Middle East region, they cannot fully represent the extent of soft power through BRI in this region, as the countries that belong to this region are not all homogeneous, having different political, social, economic and historical backgrounds.

Furthermore, the thesis tried not only to analysis the soft power sources of the BRI but also tried to give some insights on the relations between China and Egypt/Saudi Arabia in the context of the BRI. Moreover, it tried to emphasize and integrate some of the key projects into the analysis but is rather limited due to the relevancy of the framework of soft power. Furthermore, the reliability of China's global investment tracker statistics had to be carefully interpreted. Despite the grand scale of the projects in Egypt and Saudi Arabia, there is a lack of transparency concerning the projects overall. There is still no reliable or official list of the BRI projects in these countries, not even a disclosure of the lending standards China follows, nor the exact amount China has invested.

Moreover, six interviews with Middle Eastern experts have been conducted and provided a greater insight into this topic. Although the experts have a broad knowledge of the Middle East, especially when it comes to politics, it was observed that many experts do not have a broad knowledge of the BRI and there was one expert who clearly stated that there is not even soft power involved in the BRI.

The findings of this thesis represent valuable avenues for further research and to diffuse the aforementioned limitations recommended. Because the BRI is a continuous initiative with different projects, it is uncertain how it will develop in the future. Furthermore, this work lays the foundation for future research on China's application and interpretation of soft power through the BRI. However, there is a clear need for further research on new developments in upcoming years to assess whether China's promises will bear fruit for the countries involved and whether China's influence in the Middle Eastern region will increase or decrease.

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Appendix 1

Interview Guideline

This guide contains questions on the topic of China's soft power in the context of the BRI and on Sino-Arab relations. The aim of the interview is to confirm or supplement the arguments that emerged from the analysis.

Interview guide for the expert:

Duration approx. 30-45 minutes

Structure	Content	Time
Welcome and project description	Introduction Explanation of the research question (briefly) Anonymity is guaranteed: personal data and statements are treated confidentially. Excerpts of the interview will be analyzed in the paper. The interview will be recorded for reference and for the preparation of a transcript. Audio record	5'
Main part	<ul style="list-style-type: none">• Questions about the role of China in international relations and the role in the Middle East region• Questions about the economic, political, and cultural soft power through the BRI• Questions about the outlook of the BRI and Sino-Arab relations	20-30'
Conclusion	Further inputs from the experts and possible questions that arose during the interview	3-5'
Farewell	Acknowledgement Description of the further procedure Possibility of receiving the transcription Farewell	2-5'

Interview Transcriptions

1 Interview with expert No. 1 on 28.04.2021

2 **It will be interesting to hear your opinion about the rising role of China in**
3 **international relations, especially in the Middle East region. Although United States**
4 **involvement in the Middle East has waned, the United States will still play an**
5 **important role in the Middle East region. But it will have less freedom of action in**
6 **the region as new external regional powers like China enter the scene and try to fill**
7 **the void left by the US. What do you think on this statement?**

8 I mean, I think when you look at the U.S., obviously they're less ambitious in terms of
9 what they want to do in the Middle East. I mean, you can see that they've been pulling
10 troops out of Syria, out of Iraq and trying to, you know, wind down this whole process.
11 And since probably the Obama years, you know, you can see this kind of gradual
12 readjustment of how the U.S. is engaging. So, I mean, obviously, after bad experiences,
13 they don't want to get too involved in nation building. I think at the moment there is a
14 kind of effort to end forever wars, you know, and not just under Trump, but also you
15 would have heard Joe Biden talking about this recently, too. So, I mean, this is something
16 that I mean, you just don't have the support, I think, from the American public does want
17 to be getting involved in a big Middle Eastern war now that the United States is not
18 dependent on the Middle East for oil.

19

20 In the past, it was different. What keeps it engaged is the fact that its allies still need
21 Middle Eastern oil. They need also navigation security in the area, and they're just simply
22 allies like Saudi Arabia, Israel that they cannot abandon. So, there are still things that
23 keep them there. But it's obviously, you know, sort of like a lower level of ambition that
24 you see from the United States. And, yes, you're right, that creates opportunities for other
25 actors. So you will have seen that with Russia in Syria, that it was clear that the United
26 States wouldn't step in key moments when you would expect it to. And I think Russia
27 took advantage of that and clearly is using the Middle East as a kind of platform to create
28 the image of a great power, you know, get kind of key power broker in the Middle East,
29 which indicates you're a serious state to deal with if you're able to play that role. So
30 Russia, I mean, definitely stepped in, but only in a relatively limited way in some security
31 context. It's not a huge economic actor and cannot be because it's it just doesn't have that
32 kind of economic weight. But obviously, China does. China is building up probably over
33 the last 20 years, actually, more sort of more established presence, primarily through

34 economic projects like infrastructural projects, energy related projects, because China,
35 unlike the United States, is extremely dependent on the Middle East for oil.

36

37 So that's basically what drives it, to be sort of present in that region. Plus, as you said, it's
38 a strategic kind of pathway through to other markets. So, to Europe, to Africa, it's
39 important, but primarily its dependency on oil at the moment from Saudi Arabia mostly.
40 That really drives that kind of desire to be present, to build up relationships and
41 partnerships. And yeah, it definitely in terms of the economic sphere, it has a kind of
42 position that the United States and other actors don't really have because the U.S. has
43 mostly been engaged in the security in a military way.

44

45 It hasn't really used kind of trade policy and infrastructure etc. to engage with those
46 countries. So, China feels a very interesting to fill this vacuum if you like. And clearly, I
47 mean, a lot of states in the region are interested in this as well. To help fund big
48 development projects like in Egypt. China is important for Saudi Arabia, for the UAE,
49 for energy reasons. So, they have every reason to want to build up partnerships. But
50 having said that, the United States is also drawing red lines with its key allies in terms of
51 how far they should get involved with China. This is mostly, as far as I can see, they
52 always link it back to security concerns. So, for instance, China, I think, wanted to get
53 very involved in 5G in Israel and clearly for the United States, this was a security issue.
54 They are also present in Israel and fear that, this may compromise their kind of
55 intelligence and that they may be monitored or surveyed in that way. So, they put pressure
56 on Israel and Israel pulled back and said, no, no, China can't be part of our critical
57 infrastructure, 5G network. And I guess the Gulf states are also under quite a lot of
58 pressure. It's very difficult, you know, so the United States is still going to draw some red
59 lines as to how far it thinks its allies should get close to China.

60

61 So it's very difficult, I think, for those key allies to balance, you know, economic interests
62 that are clearly linked to good relations with China and those kind of security interests
63 that are linked to very good and close relationships with the U.S.. So, yes, China is feeling
64 like a big kind of economic space, if you like. But there are still limits, I think, to what it
65 can. And I don't think it wants to antagonize the U.S. in the Middle East, because the U.S.
66 is providing a security guarantee in that area, which is convenient if you want to do to
67 trade and do business and, sort of carry out projects. But China at this stage is not willing

68 or able to really provide that same kind of security for the region that the United States
69 has been willing to do so far and is still willing to do to some extent, although this is
70 changing a little bit. So, yeah, basically if you like. I'm not sure I would say filling a
71 vacuum, but there is more space for China to step in and probably will be in the future.

72

73 But how the U.S. and China manage this is very delicate, especially I feel China has
74 influencing economically in the Middle East. But at some time, at some point, it could
75 also transmit to it politically. Sure, of course.

76

77 **The Middle East states need a balanced position between the major powers and new**
78 **relationship between China and the Middle East countries is inherently**
79 **complementary, feeling the strategic and geopolitical gaps of both sides. The**
80 **question, however, arises how to balance this relation. The question for China is also**
81 **how to raise attractiveness compared to all the parties involved in the Middle East,**
82 **such as US, Russia and EU, and also how it should be kept stable so that it can be**
83 **sustainable for China. What do you think how China's approach to Middle East will**
84 **be in that regard?**

85 I mean, it's an interesting question. If you talk about attractiveness, I mean, firstly, I go
86 back one step because you're right that the countries in the Middle East are diversifying
87 their relations with great powers to give them more room for maneuver and to sometimes
88 play off these different powers against each other and also because they bring different
89 things. As I said, China is interesting economically. The U.S. is from a security point of
90 view, Russia maybe because of the provision of arms that are cheap etc. There is that kind
91 of like diversification that's interesting for them and also for China. China is interesting
92 for regimes in terms of attractiveness, because clearly, it's an authoritarian regime, but it's
93 a very economically successful one. So, you know, a lot of leaders in the in the Middle
94 East are probably very interested in that particular model and would like to replicate that
95 and a sort of comfortable dealing maybe with this kind of state, because for them, maybe
96 it doesn't pose the same kind of question as it would for, like a European audience in
97 terms of values and privacy, human rights or all of that.

98

99 So, it does have a sort of inherent attractiveness from the viewpoint of leaders and regimes
100 in authoritarian. You know, it's also the case, maybe they have excellent engineers that
101 come into their countries and, you know, there's that sort of attractiveness as well. And

102 they build great infrastructure. So, in the longer term, it is true that maybe that kind of
103 attractiveness becomes greater. Of course, you know, in some contexts it has been a bit
104 controversial because China often brings its own workers, just sort of like to carry out all
105 of these projects rather than employing local people. So there has been a little bit of sort
106 of opposition in some context in relation to that. But I mean, in terms of that model, it's
107 hard to know if it's attractive for the people because I guess if it's combined with good
108 governance, maybe, but then maybe you would have sections of the population who
109 would like greater freedom and you know as well as economic prosperity.

110

111 So, it's a kind of complex thing, but it does have an attractiveness for authoritarian leaders
112 and regimes for sure.

113

114 **Can this non-interference principle in their policy, which is also reflected in their**
115 **Vision and Actions of Belt and Road Initiative, can be regarded as attractive or even**
116 **be regarded as soft power?**

117 Sure. And this is just making China more appealing than the U.S., as we can see in the
118 past in the history. So, in terms of being in more neutral, you know, being perceived as
119 more neutral in security terms. This is maybe more reassuring. So, there is that potential.
120 It's hard to know, you know, to what extent China will get pulled into certain situations
121 in the future if the United States steps back a little bit further from, you know, its security
122 commitments, if China has, like big investments in certain countries, maybe needs to
123 show that it's committed to a partnership, it may be one day that they get pulled into some
124 kind of security situation that they don't really want to get involved in, but they have to.
125 So, it is hard to know over the longer run, how long it can preserve that sort of non-
126 interfering principle. This is an open question, because once you get more and more
127 involved, those countries expect much more from China, how long can you therefore say,
128 OK, we don't interfere? At some point you might have to in some way, shape or form.
129 Especially, when it comes to Iran and Saudi Arabia definitely. This is really delicate.

130

131 **How can China gain the trust of Middle East states, especially Middle East, seems**
132 **to be in the dilemma, whether China can be regarded as a reliable ally and to what**
133 **extent China differs from previous models of colonialism?**

134 Mm. I mean, yeah, it's hard to know to what extent. There are disagreements with
135 traditional partners such as the United States at this point, I don't know to what extent

136 China would openly antagonize the U.S. My guess is that it probably wouldn't, you know,
137 so for the moment, it's trying to engage with everyone and to not take sides. But yet again,
138 this may become increasingly difficult to maintain. So, I mean, how can it gain the trust?
139 This is a good question. Maybe just by being a sort of like a consistent partner. But I think
140 once you start getting involved in security issues and political issues, which inevitably
141 will occur at some point, it is very difficult to know how you can kind of keep out of these
142 issues. But at the same time, it's not in China's interest to get too vocal and too involved
143 and take sides, especially against the United States on some issues.

144

145 So, I think that countries in the region understand that China cannot be like a sole or an
146 alternative to the U.S., which brings something different in terms of economic
147 opportunities as an interesting partner in that respect. But I think most countries probably
148 understand at this stage it's not an alternative that you can really rely on in the same way
149 that you would rely on the United States in the past. Same is true of Russia as well. So, I
150 think there's is consciousness. But I don't think they're looking for China to really sort of
151 like, let's be a complete alternative to the U.S. and to support them in the same way,
152 because it's just not realistic, I think, at this stage.

153

154 **The realist conception of international politics is fundamentally determined by the**
155 **struggle for power and seeks to ensure its own survival, serving only their own**
156 **national interest to ensure its survival. This can only be done maybe through**
157 **military might. In nineteen ninety Joseph Nye coined term soft power, which then**
158 **became very popular and has been integrated into foreign policies of countries. So,**
159 **do you think China has recently been using its soft power to pursue its national**
160 **interest?**

161 Well, I guess if you look at BRI, there is a kind of as you know, like people-to-people
162 exchange bonds. Okay, so that's maybe more of a kind of soft power dimension to that.
163 And then, you know, within the whole kind of context of the current crisis, I guess it has
164 kind of tried to do a little bit of crisis management diplomacy, if you like, delivering,
165 protective equipment, for instance, to countries in the Gulf. And they also did that for
166 China earlier when things really, you know, started to evolve in early 2019. So, there is
167 that sort of like dimension of and probably, you know, vaccine diplomacy a little bit later
168 on, although I don't think you see that to too much of an extent at the moment. So, I don't

169 think, doing as much as it probably could in terms of soft power. But, maybe you see
170 more from it in the future in that respect.

171

172 But, you know, it's sort of hard because if your way of life and the system in which you
173 know, that the kind of political and economic system is not attractive to the people, then,
174 you know, there's a limit to the extent that you can exert soft power. But I guess they are
175 trying to do that on a very low level, I think, compared to the United States or a country
176 like Israel who kind of are very good at that. So, I think you can see sort of elements of
177 that, but I don't think it's very pronounced at this stage. And I mean, for the U.S., of
178 course, it's a very different kind of soft power that they have. Just because of the reach of
179 large part of that is cultural, I guess. And also, sort of the values and the system maybe
180 isn't so attractive at the moment. But, you know, traditionally has been attractive to a lot
181 of states, especially, when it plays a much more constructive role in the world, you know,
182 in terms of upholding multilateralism, etc, then this is something that's a big, big element
183 of its power, I think. Also when it comes to China is also trying to influence through
184 multilateral institutions, and you could see that as a dimension of building up some kind
185 of soft power.

186

187 There's a lot of opposition to that at the moment because it touches upon values of
188 basically Western states. So, I mean, if they put more effort into that, then that's a huge
189 area in which you could alter, the terms in which people are thinking and how they're
190 doing things. But I think at the moment you're going to see the beginnings of this and it's
191 starting to become a debate in terms of what that means for. And in Europe, what that
192 means for Europe, for the West etc.

193

194 **BRI promotes the people-to-people exchange bonds by promoting many educational**
195 **exchanges, building Confucius institutes, tourism or helping other countries when it**
196 **comes to Covid-pandemic. What do you think, are these soft power tools?**

197 I haven't looked into those, actually. You probably know more than I do. I hadn't heard
198 about this. This is a very smart strategy and I feel this could not be done in Europe for
199 them. I mean, I think it would start to get very political very quickly in the European
200 context at the moment. At the moment, you know, I mean, a few years ago when no one
201 was really so aware of these issues or just thought about them in economic terms and
202 maybe something similar could have been possible at this point in time, I think, China's

203 involvement is just too political. But it's true. I mean, if you if you provide education for
204 people, you know, I mean scholarships, etc., I mean, this is very such a kind of like a
205 formative period, the whole university, you know, years in terms of the opportunities it
206 opens up, not just like the actual education, but, you know, every step from there on, you
207 know, maybe different.

208

209 Maybe you have opportunities in China or working for Chinese companies or companies
210 that need people with knowledge of the Chinese context, etc. I mean, this is it's a hugely
211 powerful thing if you do that on a big enough scale for sure. So it's I guess potentially it's
212 important, although only sort of like a small element. Yeah. But if you think about like
213 all of the people who go to the U.S. to study, you know, or come to Europe to study and
214 how that influences them afterwards and all of their life choices, it's it's a huge thing.

215

216 **How central is Egypt and Saudi Arabia in the broader vision of BRI?**

217 Yeah, I mean, both of them are very important to China in general and also to BRI as
218 well, for Saudi Arabia obviously is a key energy partner. So, a lot of China's crude oil
219 comes from Saudi Arabia. So, it's the state that obviously Beijing is interested in building
220 up very stable relations with and for Saudi Arabia. It is an important market now that the
221 United States doesn't import so much crude oil.

222

223 So, it's really central. It's is even more central because of the difficulties of engaging with
224 Iran at the moment. So, China has to be very careful in terms of how its engaging with
225 Iran and to what extent. And also, there are just limitations on the amount of crude oil it
226 can legally import from Iran at the moment because of sanctions. So that makes Saudi
227 Arabia even more important. So, I mean, it's really like within the Middle East, the most
228 important state for China and I guess will remain so until China finds alternative sources
229 of crude oil. That would make it less important. I mean, for Saudi Arabia, there are lots
230 of sort of interesting joint projects in the area of energy. You know, all of these
231 infrastructure projects are linked to it's kind of, I think, 2030 development or economic
232 vision. So, yes, this is important by the economy.

233

234 Yeah, exactly. So it's really. Yeah. Although when you look at when you look at the kind
235 of trade that they have with each other, it's very much dominated by oil and
236 petrochemicals, etc., so still that still energy, that really sort of dominates that, but I guess,

237 you know, in terms of building sort of like smart cities and infrastructure and all of these
238 sorts of things, China can still be important and then important for the diversification
239 Egypt. I mean, it's in a sense less central than Saudi Arabia, but it's really important
240 because of the Suez Canal and all of the trade that passes through there to get to Europe.
241 I mean, we saw recently with a ship that got blocks, you know, it's critical. I think 10
242 percent of the world's trade goes through the Suez Canal. So, it's it's critical from that
243 point of view for Egypt.

244

245 It's really interesting because clearly, it's a slightly poorer state, very heavily indebted
246 state. So, you know, they're happy to have investors. And actually, China is helping to
247 expand and modernize the Suez Canal. And it's involved in some of the big sort of big
248 flagship development projects that maybe it's questionable, whether they're economically
249 have any importance. Might be interesting in terms of generating growth. So, one of them,
250 I think, is the expansion of the establishment of sort of new administrative capital just
251 outside of Cairo. So typically, you have this kind of big grand kind of infrastructure
252 projects that are very political in that context. But China is very much involved. And
253 Egypt still imports more than it exports to China. So, it's not such an easy trade
254 relationship. And it's one that probably will leave a trade imbalance potentially,
255 depending on how things play out. It could also create problems of indebtedness to China
256 etc.

257

258 So that's a bit more of a sort of a vulnerable state in relation to whether that relationship
259 will really work for them. But both have very different reasons to BRI. Yeah.

260

261 **What do you think about this economic attractiveness, in the context of BRI. Do you**
262 **think there's also kind of like a soft power in their economic attractiveness? For**
263 **Egypt and Saudi Arabia?**

264 I mean, politically, I think you can see that the Middle Eastern states, I think Saudi
265 included, are not very vocal on the Uighur issue, which you would expect them to be.
266 And the relationship with China that they have and the interests that they have are partly
267 why. So politically, you can see in that particular sort of domain, there is an impact in
268 terms of how they behave and what they're willing to be vocal on. So, for China, it's
269 possible that they may vote in similar ways. In some multilateral organizations, that's also
270 a potential area in which they can you know, there may be political benefits. I mean,

271 politically for Middle Eastern states. I mean, for those two countries, for Saudi, it's
272 interesting to have this other country that's interested in them and that they can potentially,
273 you know, say to the U.S., look, you know, if you're not investing in this relationship,
274 then we have alternatives and we will buy arms and do other things with them. And then
275 that kind of worries the United States because they're a huge, huge kind of arms purchaser
276 and a key ally. So, they politically are the kind of diplomacy level they can play with that
277 quite a lot. And yeah, I mean, of course, if it helps in terms of diversification eventually
278 and then regime stability, then this is sort of like more of a long-term political benefit that
279 could occur if China helps them in that whole transition to a much more sustainable
280 economic model. And therefore, you know, sort of like lower unemployment, the future
281 and opportunities for young people, and politically there could be like a spin off or a side
282 effect for Egypt. I mean, if it enables them to, engage in these huge development projects
283 that are very high profile and sort of very kind of grand, then for the regime it's also
284 interesting and yet again for Egypt, it's interesting to have alternative partners.

285

286 It's not a real alternative. In security terms. I think we discussed that. But it's still
287 convenient because the relationship with the United States is not an easy one under the
288 current regime in Egypt. So, there are always tensions. And so, if they can also say, look,
289 we have alternatives, it's also a way of manipulating the United States a little bit. So,
290 politically, it's interesting to have these different, you know, different partners that you
291 can work with. So from that perspective, politically, it is interesting. Thank you.

292

293 **Do you think China can use its soft power more in the Middle East than for example**
294 **in Europe?**

295 Yeah, for sure. For the reason that we spoke about. I mean, if you mostly see it through
296 the lens of an attractive economic model, a state that's not going to kind of create too
297 many problems for you domestically and that's able to combine this quite rigid sort of
298 economic system, let's say. And, you know, economic prosperity. This is it's interesting
299 for these states.

300

301 **What might be the opportunities and challenges of the BRI for those two states?**

302 Because for me, when you look at the partnerships, I think that the economic dimensions
303 of the partnerships that China has with different states, maybe not too problematic,
304 although they still touch upon some security issues. For instance, let's say. I mean, just

305 looking at the 5G issue, sometimes you just cannot separate what seemed to be sort of
306 economic and sort of infrastructural issues from other security issues. So, there are
307 problems and sort of limits, perhaps to the extent that the countries in the region can fully
308 implement some of the things that can offer. I mean, there are issues with the kind of like
309 the poorest states in the region in terms of becoming indebted, the kind of trade
310 relationships being imbalanced and not really benefiting them so much and potentially
311 having, you know, sort of critique from the domestic populations about the way in which
312 China engages. But I think I mean, the most problematic, delicate area of these
313 partnerships is the security military sphere. It's only a small part at the moment, but it's
314 still a part of the that kind of, let's say, whole package, if you like. And that's really
315 delicate for all of the United States key allies that you just cannot go beyond a certain
316 point. So actually, developing those that dimension of their partnerships is, I think, very,
317 very kind of sensitive and difficult.

318

319 I think it's also interesting because the slightly different states that you took for your
320 thesis, when you have a very wealthy state with relatively small population and the other
321 one which is much poorer and much more vulnerable in that sense. So, and Egypt also
322 for Europe is it's important because it's so close and because the Suez, for instance, is
323 very important. But equally Saudi. There are a lot of states that are also dependent on
324 Saudi for oil.

1 **Interview with expert No. 2 on 22.04.2021**

2 **It will be interesting to hear your opinion about the rising role of China in**
3 **international relations, especially in the Middle East region. Although United States**
4 **involvement in the Middle East has waned, the United States will still play an**
5 **important role in the Middle East region. But it will have less freedom of action in**
6 **the region as new external regional powers like China enter the scene and try to fill**
7 **the void left by the US. What do you think on this statement?**

8 I would like to say some basic things first. You know, when I imagine what you said,
9 Saudi Arabia or Egypt or also Iran, you know, for them mainly firstly, China is important
10 because of its position in the United Nations Security Council with its veto power.
11 Because, you know, when states from these regions have disagreements with the United
12 States or with the West and they can't really count so much on Russia, then they can look
13 for China to help them. So, this is one because the second one is that most of most of the
14 key Arab countries were moving between the West and the East during the time of the
15 Soviet Union split the world, China played an important role in the so-called Block Free
16 Countries group. And the bloc for this country group, most of the Arab states were
17 involved as well. So, there was a main interest, you know, to try to see to balance
18 regarding specifically territorial or political conflicts in the Middle East, for also for
19 Egypt, for example.

20
21 What I know is that it was always important for them that it was clear that they are
22 depending on their military relationship and financial relationship with the U.S. and but
23 at the same time, they always stressed in bilateral talks that China is for them very
24 important to balance this unequal relation they have with the U.S. During the time when
25 the Soviet Union broke down in the 90s and had in international relations a very passive
26 role or let me say supportive American role, but not an old one. Then China played a
27 more was less addressed in order to balance political territorial issues if they don't agree
28 with the U.S. This has changed in recent years since especially since the intervention of
29 Putin in Syria, that Russia is militarily back in the region. So let me say, the regimes or
30 also the governments in the MENA region have to deal with that. We say the U.S. and
31 the West, somehow Russia in its new role and the economic and financial importance of
32 China. I think that, also the governments like in Egypt will always, depending on
33 international capital inflow, need to have good relations, especially with the International
34 Monetary Fund and the World Bank. And for them, it's, you know, when they are at odds

35 with these institutions because of some of the conditions of which are imposed on them.
36 So, China is really important with its AIIB bank for countries like Egypt. Because the
37 governments like in Egypt were always interested in huge projects and they need a lot of
38 inflow of dollars or euros interested to be in good relations with especially with these
39 regional or international money giving institutions. Yeah, and it's easier if you are, for
40 example, negotiating with the IMF or the World Bank, and you can at the same time
41 negotiate with China. Furthermore, China typically lends for a specific infrastructure
42 projects under the BRI, whereas the IMF conditions its loans are on commitments to
43 economic reforms. This might be also an incentive for Egypt or other countries.

44

45 Especially the low-income countries like Egypt, also Algeria, Morocco, Tunisia, they all
46 need foreign direct investment, direct financial support, budgetary support and of course,
47 support with Covid-10 pandemic and all what's around the health area. To your first
48 question, when you say China enters the scene and seeks to fill the vacuum left by the
49 US, I am not so sure. I am not so sure militarily and politically. China has no interest to
50 get involved in very complicated, difficult political conflict in the Middle East. They see
51 the Iranian Saudi Emirates conflict; they see the Israeli-Palestinian conflict. They see
52 China, Iraq, and Syria. And so, yes, in the United Nations Security Council, they observe.
53 And if they feel that if they're from their understanding, feel that the Western approach is
54 to intervene in conflicts because of human rights and rule of law and all these issues, they
55 are more reluctant and they go with the Russians or they don't say anything.

56

57 China's soft power is to have a good image in the world everywhere, being engaged in
58 the United Nations and all and in their in their agencies to show that they are taking some
59 responsibility in the world. They have been increasing the numbers of their soldiers in
60 United Nations military missions. This is important. So, it is mainly about their image in
61 the world and they feel it damaged because of the Pandemic, in addition to political
62 conflicts with Taiwan or the Muslims in in in the west of China. So that these are driving
63 forces. With the Gulf and China in the US competition, also in the Middle East, especially
64 in the Gulf region, with Arab Gulf states who are exporting oil and gas. It's not because
65 of political withdrawal of the U.S. from the region, because still the U.S. military as well
66 as the Gulf has the most military forces there, then in comparison with China, for
67 example, or with Russia, in the end of the day, they have more vessels and aircraft carriers
68 there in the region. The US has been got in the last two years more independent from oil

69 export from the Gulf region, because they have been crossing the line to be oil exporters
70 in the world because of their own fracking. But Saudi Arabia, the Emirates and the others,
71 especially, as you said, Saudi Arabia has been looking since years to Asia because there
72 are the emerging markets in Asia and China are the most important oil exporters from
73 Saudi Arabia. And it has become the way for Saudi Arabia that the U.S. is still for them,
74 the main provider for security. But has been reduced in the value of buying oil from Saudi
75 Arabia while. China and Asia have become more important in in buying oil from Saudi
76 Arabia now taking over that role from the U.S. in principle.

77

78 And when China when I understand that China is looking for power and trade routes,
79 global trade routes. So, Egypt has been become important to China. And so well, so let
80 me say, having a superimposition in governing. So, world of global trade routes, I think
81 this is a driving force for the Chinese now. And as they really need not only oil, but all
82 the other portion of it, you know, resources everywhere from the world. This is for them
83 an important point. So China is more easy to handle for such projects than when the
84 Europeans come with different partners and different, you know, financial institutions.
85 But in the end of the day, regarding the trade relations and projects, the Europeans are
86 more welcome in the direct neighborhood. More favorable is that doing projects with the
87 Europeans, they are more transparent than the Chinese. No, I don't have a lot of insight
88 about the conditionalities the Chinese offer when they give financial aid or when they
89 give trade preferences. I am not an expert for that.

90

91 **Can the non-interference principle in their policy, which is also reflected in their**
92 **Vision and Actions of Belt and Road Initiative, can be regarded as attractive or even**
93 **be regarded as soft power.**

94 You are right, I think that for some Arab regimes, they feel more comfortable dealing
95 politically with Russia and China because they do not have a democratic model such as
96 western countries. So, they trust in in this regards more China and Russia, because they
97 feel that these governments will not intervene in internal so-called internal issues. This is
98 surely very attractive to those authoritarian regimes, and yes, China does reflect this
99 mainly in its foreign policy to pursue its national interests. But I think when it comes to
100 soft power it is about the image. I think Chinese are very sensitive when we have relations
101 with Taiwan or with Hong Kong or are criticizing lack of rule of law and human rights in

102 China. They are very sensitive in this. And they're trying to build a better a more
103 responsible image of China, could be through BRI.

104

105 And I said if you ask people in the streets in, in Cairo or in Riyadh and just, you know,
106 between China and the U.S., they would say, yes, China, because with the U.S. they see
107 all these military interventions which are perhaps nicely intended but from the outcome,
108 was very difficult and negative results.

109

110 **BRI promotes the people-to-people exchange bonds by promoting many educational**
111 **exchanges, building Confucius institutes, tourism or helping other countries when it**
112 **comes to Covid-pandemic. What do you think, are these soft power tools?**

113 Yes sure, but I have no idea about the Confucius Institute.

114

115 But coming back, I assume that the governments or the regimes in Riyadh, in Cairo don't
116 make it a point because they know they don't want to upset the Chinese government,
117 because you're relying economically, especially after the Arab Spring in 2011 on China
118 and China's investment so therefore, there is also the stance of China and Egypt's
119 government not to, as you say, and not to take any notice or in terms of the workforce
120 problems.

121

122 This is very interesting when you say that I would love to know if the Chinese are copying
123 the German approaches of soft power in the region and you say, you know, the German
124 Egyptian University, for example, is already a very old institution.

125

126 **Do you think that financial attractiveness could also be a soft power, especially when**
127 **it comes to IMF or World Bank that lend but have such rigid conditions attached,**
128 **and China does not?**

129 Yes, definitely I think promoting the internationalization of the renminbi and, as a new
130 multilateral financial institution, can be a counterpoint to World Bank and Development
131 Bank institutions. But they see it as a as a Renminbi when it comes to political
132 dependencies, they know that they are fragile economically, socially, financially, very
133 isolated sometimes from each other because of different regional interests. But even if
134 China offers a lot of financial and economic advantages, they are very reluctant and also
135 sensitive when it comes to political conditionality.

136

137 **Do you think that there is a certain level of soft power involved in BRI?**

138 Yes, I do think so, hard, and soft power are usually complementary. But I cannot say

139 exactly to what extent it is involved in BRI, as I do not have the knowledge about BRI.

1 **Interview with expert No. 3 on 22.04.2021**

2 **It will be interesting to hear your opinion about the rising role of China in international**
3 **relations, especially in the Middle East region. Although United States involvement in the**
4 **Middle East has waned, the United States will still play an important role in the Middle**
5 **East region. But it will have less freedom of action in the region as new external regional**
6 **powers like China enter the scene and try to fill the void left by the US. What do you think**
7 **on this statement?**

8 I think it's probably very accurate in the end of the day. Yes, there's a shift in the region now
9 specifically as far as Saudi Arabia is concerned and also maybe the other GCC states. It's been
10 a very strong strategic relationship with the United States, basically an equation of oil for
11 security. That means that Saudi Arabia produces energy at reasonable prices and tries to
12 maintain a balance in the oil market as much as possible. And in return, the United States
13 provides protection and security in the region for the Kingdom of Saudi Arabia in particular.

14
15 Now, that equation has basically been under strain and under a shift, I would say probably for
16 the last almost 20 years now, ever since the U.S. led invasion of Iraq in 2003, because I think
17 this has raised increasing number of doubts in the minds of decision makers in Saudi Arabia,
18 as well as in other states about the continued reliability of the United States as the sole security
19 guarantor for those countries. The decision to invade Iraq was not shared by Saudi Arabia. In
20 fact, Saudi Arabia argued very vigorously against this idea. They were convinced that the
21 regime of Saddam Hussein was a manageable problem. And in fact, they were very worried
22 about what the implications of an invasion would be. And I think in retrospect, they've been
23 shown to be quite correct in that assessment in terms of that that invasion has led to a number
24 of increased volatility in the region and of course, also opened the door for Iran to be able to
25 spread its influence more widely in the Middle East than before. Iraq was sort of a buffer for
26 Iraqi Iranian expansionism before that. But the removal of Saddam Hussein and the emergence
27 of a Shia led government in Bagdad opened that door for Iran. And, of course, naturally, they
28 would take advantage of the situation and Saudi Arabia complaints in particular to the south.
29 And this was if you go back, I think, to early 2005, when then Foreign Minister Prince Saud
30 al-Faisal openly complained that at a speech in the Council of Foreign Relations that basically
31 the United States had delivered Iraq on a silver platter to the Iranians and that this was simply
32 unacceptable as far as Saudi Arabia is concerned.

33 And I think this doubt about where the United States is going and to what degree the United
34 States will continue to be the main security provider for Saudi Arabia, that doubt has continued.

35 It has continued from the Bush administration at that time to the Obama administration in
36 following again, specifically because of Iraq, because just as Iraq was stabilizing after the, you
37 know, the period of turmoil in 2006, 2007, and then we have the Sahwa movement, the
38 Awakening movement, where the US slowly is able to bring some stability back into Iraq in
39 2008. Well, right after Obama takes office, he announces the troop withdrawal from Iraq. And
40 we see a similar situation again. We see security deteriorating. And all this is a threat to the
41 Kingdom in the end of the way. And even under the Trump administration, I mean, there were
42 hopes that President Trump would reinvigorate the strategic alliance, but it became very
43 quickly clear also to Riyadh that this was mostly a transactional relationship where if you don't
44 buy American weapons, then the relationship wouldn't be that positive.

45

46 And he again, we had the attacks on the Saudi oil installations in September 19 by drones and
47 missiles most likely launched by Iranian factions. And President Trump basically refused to
48 retaliate to this incident. And all of this is now combining big doubts about where is the future
49 of the U.S. strategic relationship. As far as the Middle East is concerned, Saudi Arabia finds
50 itself in a very precarious position. We have a very strong Iran to the north that has involved
51 itself throughout the region. And the world is wondering where does the future security for the
52 Saudi regime come from, if not from the United States? And therefore, what Saudi Arabia is
53 very much doing is trying to hedge its international relations, hedge its foreign policy and look
54 for possible alternatives. Now, at the moment, I think it's still very, very clear that the United
55 States is the only country able and possibly willing to come to the defense of the Kingdom of
56 Saudi Arabia if there was to be a very serious direct threat against the regime.

57

58 There's no trust in that sense in terms of Russia or China filling the shoes that the United States
59 has filled in the region for the last two decades. But it's still it's a changing relationship because
60 there's a clear understanding that the United States is weary of the Middle East involvement. It
61 wants to end its involvement. President Biden's announcement just now of withdrawal from
62 Afghanistan is a very clear example of that. And therefore, you need other options. And
63 certainly, looking for other powers is one way to see how to provide for your security.

64 **Saudi Arabia is not exporting oil to the United States anymore since January of this year.**

65 **What are the implications for that?**

66 Well, definitely for the United States, it's not as dependent anymore on the East oil supplies
67 that it was before. But it's never really been about dependance on Middle East oil for the United
68 States. As far as I'm concerned, it's always been about the availability of oil to global markets

69 and to keep global markets stable. And it's also been about freedom of navigation to ensure
70 that there is security in the Gulf region that allows that oil to be exported through the Strait of
71 Hormuz through a very volatile part of the region. Again, it's not so much about how much oil
72 actually goes from Saudi Arabia or other Arab Gulf states to the United States. For the past
73 basically two decades, we've seen Asia is the most important destination of Gulf oil and it goes
74 to China, goes to India. Japan and South Korea in particular, are very dependent on exports
75 from the region. So, it's overall for the United States much more about stability in the global
76 economic scene, rather than specifically how many barrels are they getting from Saudi Arabia.

77

**78 The Middle East states need a balanced position between the major powers and new
79 relationship between China and the Middle East countries is inherently complementary,
80 feeling the strategic and geopolitical gaps of both sides. The question, however, arises how
81 to balance this relation. The question for China is also how to raise attractiveness
82 compared to all the parties involved in the Middle East, such as US, Russia and EU, and
83 also how it should be kept stable so that it can be sustainable for China. What do you
84 think how China's approach to Middle East will be in that regard?**

85 I think you brought up a very good point. And the question itself to mention the aspect of
86 attractiveness, what really makes China in the end possibly attractive to play a major role in
87 the regional security equation. The bottom line is, so far, China is very much benefiting still
88 from the American presence in the region. They don't have to expend too much in terms of
89 their own military engagement to ensure that energy flows out of the region. The United States
90 basically has done this for them, has deployed its military assets to ensure. A degree of stability
91 and again, for the Arab Gulf states and for Saudi Arabia in particular, we've already had a
92 growing economic relationship with Asia emerging in the past 20 years. This is a major factor.
93 And, of course, for Saudi Arabia, a key goal in the very near future is the success of its Saudi
94 Vision 2030 economic diversification plan. This will be critical for the security of the regime
95 because, A, you do need to diversify your economy, lessen the reliance on oil, especially now
96 that what we are seeing in the global energy markets is a less reliance on oil. Overall, the world
97 demand is still steady, but it will decline over time. And also, the prices will not be as high as
98 they were in the past, specifically the period from 2002 to 2014 when we had extraordinarily
99 high energy prices. In addition to that, Saudi Arabia has a huge young population. Two thirds
100 are under the age of 30. And all these people need to be supplied jobs and then simply to stuff
101 the public sector and offer government jobs or only through trying to provide jobs in the oil

102 industry is simply not going to be sufficient, so diversification is key. And here Asia plays a
103 huge, huge role in the future.

104

105 Now, as far as security is concerned, I think it's little still at the moment. Of course, it's a
106 completely different picture. I still think the reliance is on the West. Basically, you sort of have
107 Saudi Arabia trying to look with the left eye to the west and with the right eye to the east in
108 terms of the security commitments it has. The hard security requirements are with the West,
109 with the United States, primarily because, as I mentioned, they know that the US is the only
110 country really capable and possibly willing to help them in case of a serious threat. But at the
111 same time, the economic security is increasingly with Asian countries. And to develop those
112 relationships and whether one can try to balance that out, it's going to be very, very difficult
113 question. Now, China in particular is making lots of advances in terms of technology. It can
114 also offer to the region. We see already the problematic in the region about telecommunications
115 and 5G networks, with Huawei in particular playing a role. And the US has already made very
116 clear statements through the State Department saying that at one point the region is going to
117 have to choose almost. It's basically telling them you cannot have your security from our part
118 and then you are undermining our security by importing all kinds of technology in developing
119 that kind of relationship with a country like Asia, where China, specifically because we have
120 the rising US Chinese tensions to consider in this regard. So that's going to be a huge factor.
121 And we saw this also very recently. Now, it is not only the case of Saudi Arabia, but also the
122 United Arab Emirates and the sale of the F-35 fighter jet to the UAE in which they've been
123 rising voices for members of Congress in the United States about, well, what is really the
124 emerging relationship between the UAE and China on technology transfer? And are we not
125 then by selling these kinds of sophisticated weapons to the region, are we not then opening the
126 door for China to get access to that kind of technology, which then could be shared between
127 the U.S. and China? So those are huge elements that play a role. So, I think it's going to be very
128 difficult to try to create a balance going on this. I think the Arab Gulf states, Saudi Arabia is
129 going to make some difficult choices and it's not going to be just being able to say we can
130 continue on all fronts the same way I think there will be pressure, especially from the United
131 States, to make some choices.

132

133 **Do you think China has recently been using its soft powers, flanked mainly in its foreign**
134 **policy to pursue its national interests? And how different is it from that and from the one**
135 **from us?**

136 Certainly, China has soft power that it can display on a whole number of fronts, but I think still
137 there, the appeal ultimately of China to the region is going to be limited. On the one hand, this
138 is because there are some really hard security matters that play a role. Saudi Arabia feels
139 basically very much under threat, specifically from Iran and from Iranian proxy forces. Now,
140 at the moment, Iran is a supporter of the Houthis in Yemen and access to weapons, especially
141 missile parts and drone technology, is being provided by Iran to the Houthis, who then launch
142 attacks on the Kingdom of Saudi Arabia. And especially in 2021, we've seen almost daily
143 attacks. We've seen daily launches with missile strikes, you know, as far north as military
144 installations in Riyadh, Riyadh airport or even the oil installations in the eastern province. So,
145 it's no longer just missile strikes just on the border, but these have gone much further. You've
146 seen the same from Iranian proxies from the north, apparently, that also there are Iraqi groups
147 supported by Iran that have set up a basis on which they can attack Saudi Arabia if that needs
148 to be. So those are hard security challenges the Kingdom faces. And for that, China is not an
149 option at the moment to provide the kind of necessary security that Saudi Arabia is looking for.

150

151 Even on its soft power. It's still primarily what do Gulf nationals look for? They look for
152 education primarily still in the United States or in Europe. The younger generation still going
153 to universities, mostly in the Western countries. They mostly take their vacations and summer
154 holidays also in Europe or in the West, especially in Europe, for expansion, especially in the
155 U.K.. So, I think on hold on the soft and hard security fronts, it's still the West that plays the
156 primarily role.

157

158 But it will still, of course, going to depend in terms of how reliable the West continues to be.
159 And one thing that we see here in this regard is, of course, that the Gulf states and Saudi Arabia
160 also in particular, are trying to develop their own capacities. So, China is a factor that you can
161 bring in into the security equation. You already have a strong economic relationship, and you
162 want China to be an option in which you can develop your relations. But you know, China is
163 not going to be the same as United States. It's not going to be the same kind of security provider.
164 And there will be issues where you cannot rely on China the same way you could have on the
165 United States. And then that vacuum has to be filled by your own capacity, building up your
166 own capacity and playing a role by yourself in the region and not relying just on the United
167 States to keep that kind of balance and order in the region.

168

169 And that's what Saudi Arabia is trying to do in terms of Vision 2030, to become more
170 diversified economy, develop more of a domestic arms industry as well. So, which it can then
171 also act more regionally. The UAE is in the forefront of this. You see, the UAE is already being
172 no longer just active in the Gulf itself. It has now played a role in Libya. It plays a role in the
173 Horn of Africa, has a port strategy around which it can stretch its economic influence. It even
174 plays most recently a role in the eastern Mediterranean. So, the UAE is projecting some of that
175 power a little bit more outward than what traditionally used to be just the Arabian Peninsula.
176 And I think Saudi Arabia will seek to go the same way and in a way. So, China is, of course,
177 going to continue to try to develop those relations. But I still think in terms of what China can
178 actually offer, it's still not comparable to that at the moment. Nevertheless, Saudi Arabia's
179 strong ties to the West are bound.

180

181 **So, this non-interference principle in their policy, which is also reflected in their Vision**
182 **and Actions of Belt and Road Initiative, can be regarded as attractive or even be regarded**
183 **as soft power.**

184 Absolutely, yes. One reason, of course, it makes the relationship less complicated. You don't
185 have to hold a wide-ranging human rights dialog. You don't have to find yourself under
186 pressure from governments to release political opposition individuals. So, both sides do want
187 this. But I think it's one aspect that plays a role in facilitating the discussions between the two
188 sides. But in the end, it's not the one that will determine where the future of the relationship is
189 going to be headed. Because, again, if you looking at the BRI, Saudi Arabia is very much
190 looking also at raising the types of investments that can attract into the Kingdom. And it calls
191 for diversification. It needs to have rising foreign investment to come in, which then can help
192 with various aspects of developing certain industries. So in terms of how much investment is
193 China really going to be ready to invest into the Kingdom and not just make these in terms of
194 loans, for example, or restrictive investment, but make to something that is ultimately also for
195 the benefit really of both sides and that the Saudis see that there are attractive projects that over
196 time can deliver on results and can provide incentives for also developing Saudi employment
197 sectors so that we haven't a chance here for, you know, employment opportunities for Saudi
198 youth. That's going to be very, very much the determining factor. And so far, I don't see that
199 as sort of being a key element that this is developing very quickly. There are a lot of
200 announcements and Saudi Arabia does the same thing. It makes a lot of announcements about
201 great projects. But how in the end, these really are going to be developing domestically and
202 how impact they're going to have. I think there's still a lot of question marks about this. And

203 therefore, I think there's a sort of a cautious attitude about, you know, following up on grand
204 announcements and then seeing them actually being implemented.

205

206 **And Saudi Arabia became in 2016 a strategic partner with China and signed several**
207 **memorandums of understanding under the BRI. Do you think Saudis are looking up to**
208 **China's development model, which can be seen as very attractive and therefore as soft**
209 **power of BRI?**

210 They also are completely understanding that China is emerging as, you know, as a serious
211 competitor in the United States. And you will have to build a relationship with China there.
212 There's now, no doubt about this. But at the same time, you know, China is not only reaching
213 out to Saudi Arabia or the United Arab Emirates. China just signed a large agreement with
214 Iran, which is very problematic then for Saudi Arabia. And if we look at these kinds of
215 developments with sort of a divided eye and then seeing, you know, how is this going to impact
216 on the very hard security threats that the Saudi, the kingdom of Saudi Arabia, perceives to be
217 feeling, and I think that's going to be very much of a determining factor. I think that the whole
218 aspect of also developing your power elements through economic diversification and economic
219 plans is certainly something that the kingdom has also adopted. It understands that its continued
220 reliance on simply on oil as the model for its economy is, is not sufficient enough. And it needs
221 to develop its economy and a wide variety of ways. But ultimately and while at the moment
222 China is, of course, the market for also for Saudi oil and then for other Saudi petrochemical
223 projects, and I think that is going to be really a relationship that, of course, will continue over
224 time. We can also see an economic competition emerge between the two sides as both sides
225 seek investments in their own countries, as both sides want to continue growth rates, want to
226 continue development of their economy. And this is not necessarily going to be just a
227 conflictual free relationship all around. I think it will also emerge that there might be points of
228 conflict that could emerge. And, of course, Saudi Arabia would be interested in not just
229 maintaining strong economic relationships with China, but the same goes for other countries
230 in Asia, particularly India, Japan, South Korea. These are all potential partners for the kingdom,
231 not only on energy, but on other fronts. One thing China, of course, does not want to see is a
232 rising conflict also either in the South China Sea or other areas that then could also impact
233 energy flows into the Asian continent.

234

235 **So, would you say that economic attractive i.e. China's development model is attractive**
236 **to Saudi Arabia?**

237 Well, certainly, again. China has been successful with its development model in quite a number
238 of fronts and there are lots of opportunities here also for the Gulf economies to engage in a
239 stronger relationship with China to mutually help each other in terms of diversifying their
240 economies. I think that is all fine. But I would I'm still I'm quite cautious on the fact that I see
241 here a completely new era of relations or a completely different type of relationship emerging,
242 because I have lived in the United Arab Emirates for 15 years, so I followed a little bit
243 everything on the ground. And you could see by the late 2000s, 2007, 2008, increasing number
244 of Chinese companies entering the UAE market, for example, in especially in the area of
245 construction, you see Chinese companies taking over road construction and other areas. And,
246 you know, over time that it developed a little bit. It wasn't seen as that positively because they
247 quickly found out that the quality of service was not sort of what they had expected.

248

249 And now what you are going for much more in that part of the world is then relationships with
250 companies, for example, from South Korea and in Japan rather than with China. The UAE
251 developed its nuclear industry with the help of South Korea. It did not go to Russia. It did not
252 in the end of the day, did not go to the U.S. and Europe because of political implications. But
253 if not, go to China or Russia or other alternatives, because it simply understood that the South
254 Korean quality was at a much, much higher level. And this is what they are looking for. So, I
255 think this is an aspect that has to be considered in terms of the attractiveness overall of the
256 Chinese economic model. You know, it's attractive in the sense that it has a lot of things to
257 offer. But if that's really a sustainable option and a long-term option in terms of the quality
258 that's being produced, I think that's the big question mark here. I think that in terms of quality,
259 but also it doesn't offer that many jobs for local people. Most of the construction firms are
260 coming from China with their knowledge and also with its people. Well, I mean, for the for the
261 Gulf, of course, you have to remember that most of the you know, the service sector in that
262 sense is still populated by expatriate workforce, even in Saudi Arabia. I mean, it's one third of
263 the population is expatriate workers who do most of the manual and the service-related work
264 in that sense. But that, again, goes into then in terms of the quality of investments that the
265 Kingdom would be looking for, it will be looking for investments in high and the high impact
266 center and the high technology sector in which it then can create jobs opportunities also for its
267 own nationals at a higher level. And here again, I don't know if China is going to be willing to
268 extend that type of investment.

269

270 **What might be challenges of BRI in Saudi Arabia?**

271 Well, the most are the specific projects that you can pursue and then where can you make the
272 most visible progress at the end of the day. China is not so big present in Saudi Arabia, to an
273 extent of course, it has an important port industry, but the UAE has been in the forefront of
274 developing these kinds of connections. So, the challenge continues to be very much in terms
275 of the specific types of projects that it can offer and the way it relates to Saudi Vision 2030 and
276 how that vision can then be implemented in terms of the requirements that the Kingdom has,
277 both in terms of raising the quality of employment opportunities and trying to attract the types
278 of investments that it needs for diversification. I think that's going to be a key where China can
279 show that it can make a difference as opposed to overall. The Kingdom remains attractive to a
280 lot of people and the Kingdom is still a high-income country. Despite the oil price being
281 lower, it still has a lot of money to invest and it still has a lot of money which would attract
282 people. So, there is a competition out there. And for China, the key would be can it offer the
283 right product and a good product at the right price so that it can compete also with others out
284 there in the market? That doesn't only include the West, but it also includes other Asian
285 countries that are also very competitive in these fields.

286

287 **And what do you think of the future outlook of Saudi China relations?**

288 Well, I think overall there's a lot of opportunity still there. No doubt that on an economic front,
289 Asia as a whole will continue to be and continue to be more important for the Gulf than it has
290 been in the past. I think that economic relationship will continue to rise. I think China will still
291 be on a large-scale energy dependent. And therefore, that makes the Gulf states ultimately
292 attractive. Saudi Arabia is investing in a lot, not only in the upstream, but also in the
293 downstream part of the energy sector and on a number of fronts here, simply because of the
294 size of the market also. And in China, that's going to be a relationship that continues to develop.
295 But I don't see this developing into a full-fledged relationship that becomes the only alternative
296 for what the Gulf is looking for in a changing international environment. China will be an
297 option and they will continue to look at China as an option for various sectors. But that's about
298 it. It will not be the only option. It will not be the key relationship that will emerge.

299

300 I think overall, the hedging policies of the area of the Arab Gulf states and of Saudi Arabia will
301 continue. Their focus will be very much on their immediate environment, their immediate
302 regional environment, and how we can structure relations there so that it protects the interests
303 and the security of the Kingdom. China can play a productive role in that, but so far it's still the

304 United States that is the more key actor. So, again, China is an option, but it's not the only
305 option out there.

306

307 And what I mean, Saudi Arabia has also just been a changing country at the moment, many
308 transformations are going on. And especially, what is one of the biggest soft power, of course,
309 the kingdom has its situs being of the of the holy sites in Mecca and Medina and in terms of
310 the world's Muslims. And that's, of course, not an easy relationship with China as well.

311

312 So that if it's you know, now Saudi Arabia wants to open up for tourism, but religious tourism
313 is going to be a huge factor in that developing the holy sites and continuing to attract religious
314 tourism. Well, of course, China is it's very difficult there in terms of, you know, supporting the
315 Muslim community and allowing them to travel freely to Saudi Arabia. So, I think when Egypt
316 might be more open to these kinds of relationships, Saudi Arabia is still only in the beginning
317 stages of opening up its society to develop also, with other religions and promoting the whole
318 dialog of civilizations, I think the Kingdom is still in its infancy.

319

320 **I read an article about the interview with the Crown Prince of Saudi Arabia in 2018 where**
321 **he says that he promotes and accepts China's strategy on how to deal with the Uighurs.**

322 And that's a very controversial statement. A very controversial statement in the sense that it
323 does not represent the view of the majority of the population in the kingdom. I think they would
324 like to see much more protection here for the recourse. And they don't accept Chinese policy
325 on that. But at that moment, when he gave the statement, you have to put it into the whole
326 context of where we see Saudi U.S. relations and always this sort of a little bit of a threat that
327 if the U.S. doesn't provide the security the kingdom expects, then we will go somewhere else.
328 But we always have to remember, that's a little bit of a hollow threat, I think, in the end of the
329 day, because, again, China is not the replacement for the United States in the Gulf at this
330 moment.

331

332 **So, in the end, do you think there is soft power involved in BRI?**

333 There are some elements but not very much present due to the previously mentioned reasons.

1 **Interview with expert No. 4 on 04.05.2021**

2 **It will be interesting to hear your opinion about the rising role of China in**
3 **international relations, especially in the Middle East region. Although United States**
4 **involvement in the Middle East has waned, the United States will still play an**
5 **important role in the Middle East region. But it will have less freedom of action in**
6 **the region as new external regional powers like China enter the scene and try to fill**
7 **the void left by the US. What do you think on this statement?**

8 Well, definitely, I mean, the role of China has been significantly increasing starting the
9 2000s, especially when China joined the WTO and became one of the most important
10 trade partners of different Middle Eastern countries. So that's at the trade level. And I
11 think now, at least if I talk about the Egyptian case, China now is the largest exporter to
12 Egypt among different Egypt's trade partners. I mean, the importance of Egypt. So that's
13 on the one hand. And on the second hand also, China has now an increasing role also in
14 terms of an investor, or as a source of FDI from China to different either Middle Eastern
15 or African economies. So, in that case, China is heavily investing in different industries.
16 It's investing in infrastructure and in the manufacturing sector. This shows what extent,
17 even though the political role of the United States is still important and is still, I would
18 say, present in the Middle East. That's a structural thing in the Middle East. But the role
19 of China at the economic level, I think is becoming even more important.

20
21 **The Middle East states need a balanced position between the major powers and new**
22 **relationship between China and the Middle East countries is inherently**
23 **complementary, feeling the strategic and geopolitical gaps of both sides. The**
24 **question, however, arises how to balance this relation. The question for China is also**
25 **how to raise attractiveness compared to all the parties involved in the Middle East,**
26 **such as US, Russia and EU, and also how it should be kept stable so that it can be**
27 **sustainable for China. What do you think how China's approach to Middle East will**
28 **be in that regard?**

29 Well, I'm not a specialist of geopolitics, so I'm not able to provide an accurate or a correct
30 or an evidence-based answer to this question, but perhaps to general points first. I think
31 one of the things that makes China, I would say, has a relatively competitive advantage
32 to other powers like the United States, the E.U. or other countries. And also China does
33 not interfere a lot at the political level. And that's, I think if we can call it this way, an
34 advantage for for China compared to other countries. The second point is that, but that's

35 more from the perspective of Middle Eastern countries, I think to guarantee the
36 sustainability they will have to invest more of all, they will have to attract more
37 investments in the manufacturing sector rather than the infrastructure sector or the
38 construction sector, because in general, Middle Eastern countries, they all need to develop
39 the manufacturing sector in order to improve the competitiveness of their exports, in order
40 to improve the industrial sector in these countries, in order to generate more jobs. And all
41 this requires more FDI in the manufacturing sector, because currently most of the FDI is
42 channeled to the Middle Eastern countries is either in the oil sector or the construction
43 sector. And these two sectors are not really labor intensive, and they do not export. So, to
44 guarantee, I would say, the sustainability of the relationship between these countries and
45 China, I think it will be important that to have more FDI in the manufacturing sector in
46 order to balance the imbalanced trade relations between Egypt and China.

47

48 **Do you think China can be regarded as a reliable ally in the event of disagreements**
49 **with old allies and to what extent China differs from previous models of colonialism?**

50 I think it's mainly an issue of I mean, like we call it in the international trade literature,
51 functional integration. If countries integrate because they need each other. So, this would
52 increase the trust between them. So, the more they integrate and by integration, I mean
53 perhaps either at the FDI level or at the state level, perhaps through the intervention of
54 China in different projects or the investment or the Chinese investments in sovereign
55 wealth funds, for instance, all this, perhaps this, that this might increase the credibility or
56 the trust between China and other Middle Eastern countries. But again, I think that This
57 noninterference of China in domestic or in especially domestic issues and especially at
58 the political level. This, I mean, to start with, helps countries to have a bigger level of
59 trust, especially that there is no colonial history with China.

60

61 **Do you think China has recently been using its soft power, reflecting mainly in its**
62 **foreign policy?**

63 I don't think the China's soft power level is more the United States, because if you look,
64 I mean our daily lives, we're more influenced by the U.S., the UK or European countries
65 in general rather than China. So, in terms of soft power, I would say that still China is not
66 really present in the daily lives of different people.

67 **What do you think about this economic attractiveness, in the context of BRI. Do you**
68 **think there's also kind of like a soft power in their economic attractiveness? For**
69 **Egypt and Saudi Arabia?**

70 I'm not a political scientist. But I think that at least how I see soft power, it's more a
71 cultural issue, not a political issue and not an economic issue. We can have an economic
72 element inside. But for me, what comes to my mind when we talk about soft power, it's
73 more what happens at the cultural level more than the economic level. So that's why I
74 said that in terms of the soft power, I don't see that China is really present. The BRI
75 initiative is very important for international trade, for the development of industry clusters
76 and all that. But again, it will stay an economic partnership. But a more but I would say
77 a deeper economic partnership compared to just trade some goods or services or investing
78 in a specific sector and so on. The development, the model of China is still perceived as
79 a success story because, I mean, China managed to become one of the largest exporters
80 of manufactured goods now. And definitely, the Chinese experience remains a role model
81 for Egyptian, the Egyptian's situation can be compared to the Chinese one in order to see
82 how we can have a better and better structure of exports, for instance, or a more
83 competitive industrial sector like what happened in China.

84

85 **BRI promotes the people-to-people exchange bonds by promoting many educational**
86 **exchanges, building Confucius institutes, tourism or helping other countries when it**
87 **comes to Covid-pandemic. What do you think, are these soft power tools?**

88 I think I mean, you already said two examples, student mobility. I mean, now the
89 constraint does not allow to have that much student mobility, student scholarships, more
90 cultural activities in Egypt to make people more familiar with the Chinese culture and the
91 Chinese civilization, for instance. I was raised in a French culture context more than
92 English. So, if I compare, for instance, the French cultural center that is located in Egypt
93 compared to the Chinese one, definitely that is a big difference because the French center
94 is much more active in terms of activities, in terms of the concepts, in terms of book
95 launches, all that the support and the outreach is important. So that's why it's important
96 to diversify the activities and at the same time improve the outreach to different
97 governments in different remote cities. But I don't think China will be more present with
98 its culture in the near future

99 **Can this non-interference principle in their policy, which is also reflected in their**
100 **Vision and Actions of Belt and Road Initiative, can be regarded as attractive or even**
101 **be regarded as soft power?**

102 Again, I'm not familiar of the academic concept of soft power, I mean, based on the very
103 general readings, again, for me, soft power is about culture. And for me, the BRI is not
104 about culture. It's about economics. Perhaps there are some intersectionality between
105 economics and culture, but it's still an economic project for trade promotion, for industrial
106 promotion and so on. So, I don't really think that this initiative can be perceived as a soft
107 power tool.

108
109 **But do you think, can BRI regarded as an economic tool, at some point transferring**
110 **from economic sphere to political one?**

111 I mean, difficult to have a say, evaluating the Chinese position based on what we currently
112 have, I don't think that it will turn out that it will become a political tool, because at the
113 end, it's a mutually beneficial project for the two trade partners, and that's it. But I can
114 hardly see this as a political tool, but perhaps I might be wrong because I'm not a political
115 scientist. So, if you if you ask this question to a political scientist, perhaps, yeah, he might
116 have or she might have a deeper view.

117
118 **Egypt and Saudi Arabia have their national development programs, which was**
119 **made in 2016, and they made a synergy with the BRI. Do you think this could be**
120 **also, especially when a country helps other countries to achieve their national goals,**
121 **can be seen as an attractive and appealing partner?**

122 The strategy that was developed in Egypt was mainly driven by three things. So first, it
123 was driven by the SDG strategy that we have for 20, 30 years. But with the United
124 Nations, that's one, two, because we had a reform program that started in 2016 when we
125 signed the program with the IMF, and because we had a new government and a new
126 cabinet by this time. The president, I think was in power since 2014, but all the reforms
127 and the reform agenda that was implemented later. So, for me, the initiative was part of a
128 more comprehensive thing, but it was not really tailored based on that, given the economic
129 and the political context of Egypt by this time.

130
131 **Do you think OBR offers opportunities to Egypt? And what might be the challenges?**

132 Well, I think there are several opportunities, especially that in Egypt we still lacking this
133 concept of clusters. I mean, we do need to develop the clusters where we have a large
134 firm that is connected to other smaller firms in order to develop to help small and medium
135 enterprises expand and generate more jobs, become exporters or to that. And to develop
136 these clusters, we need, especially in the area in which the BRI can have an impact or at
137 least if we if we compare this to the Suez Canal area that we currently have, it's very
138 important to develop these clusters because we can have some industrial regions where
139 we have a foreign firm, for instance, that produces. That's not producing a specific good,
140 but then that will be domestically integrated with other firms. So, I think this is very
141 important to develop and there is a lot to do in this regard.

142

143 But definitely there are, I would say, three main things that are needed to attract FDI in
144 the manufacturing sector, not in the oil sector. Second, improve the investment climate at
145 the domestic level by reducing bureaucracy, reducing the time that we need in order to
146 start a business or to enforce contracts and all that. And third. Is to help some become
147 part of this this larger, I would say, initiative, because, I mean, in Egypt we have either
148 very small firms or micro firms that exit the market very quickly or very large firms. We
149 don't have those middle firms or this transition from small to medium to large firms.

150

151 **Do you think Egypt might be at some point be economic dependent on China**
152 **through the BRI?**

153 Well, I don't think that it's only with China because our external debt has been recently, I
154 mean, according to the statistics of the central bank, the levels of external debt. It has
155 been recently increasing whether international donors with countries with Eurobonds or
156 dollar bonds and so on, and definitely one of the things that the government has to start
157 reforming is the level of external debt, the extent that would also depend on the exchange
158 rate between the Egyptian pound and the respective currencies, whether it's euro or dollar.
159 So, I mean, for me, I don't look at the bilateral structure of that because it doesn't matter.
160 At the end of the day, what matters is the level of our external debt. And that's why given
161 the recent increases that we have in the external debt, I think we have to worry about that.
162 Regardless would end up to home, to China, to the US, to the IMF at the. It's an external
163 debt denominated in a currency that in any foreign currency that will be associated to
164 interest rates.

165 **What do you think about the future of Egypt and China relations or is there any**
166 **future complication, especially now China being so present in Egypt and also in**
167 **Saudi Arabia?**

168 Well, I'm not really a fan of prospective questions, but perhaps two small points. The first
169 point, I think that the trade war between China and the U.S. will be slightly I mean, to
170 slow down a little bit because of the change of the administration with Biden. So that's
171 one point that has to be taken into consideration when we analyze the future of the
172 economic relations. And the second thing, I would say that, even when we had the trade
173 war between the U.S. and China, our trade structure didn't change much. We were
174 negatively affected by that. That's sure, because the whole world was negatively affected
175 by some extent with some heterogeneity by the trade war. But I don't think, given the fact
176 that the trade structure didn't change much during the trade war. So, I don't think that
177 anything will change, which is because our relations are rather structural and cyclical. So,
178 the structure of what we import from China or what we export to the United States is
179 different. So, I don't think that that they will be exclusive at a certain point.

180
181 What do you think which project is currently the most important project in Egypt? What
182 I mean is that the the mega project that is currently developed by the new administrative
183 capital, because I think they are planning to move towards the end of the year. So, it's
184 really I mean, the top priority for the government.

185

186 **Do you think that there is a certain level of soft power involved in OBOR?**

187 For me there is not soft power involved in OBOR or at least very limited.

1 **Interview with expert No. 5 on 09.05.2021**

2 **It will be interesting to hear your opinion about the rising role of China in international**
3 **relations, especially in the Middle East region. Although United States involvement in the**
4 **Middle East has waned, the United States will still play an important role in the Middle**
5 **East region. But it will have less freedom of action in the region as new external regional**
6 **powers like China enter the scene and try to fill the void left by the US. What do you think**
7 **on this statement?**

8 To begin with, to be honest, I do not see that the United States is pivoting out of the region as
9 of yet. Now, a lot of people have been talking about that in the media and everywhere. People
10 say that they might be pivoting out militarily, but not diplomatically. But to be very honest
11 with you, I find that they are still extremely engaged yet. They might leave as President Biden
12 promised in this campaign, from Afghanistan. But I doubt that even from Iraq, they will
13 disengage from the peace process. I see them relatively engaged in Syria as well. So, I think
14 that they are still very present in the Middle East. Now, there are a lot of strategic interest for
15 the United States in the Middle East. They have tried to talk about leaving many times, but
16 then it seems that they have formulated policies and they haven't done that. Now, that doesn't
17 mean that their presence might decrease, for instance, some military presence in the future.
18 This is everybody has been talking about that for quite some time. And I do understand that
19 the Middle East is no longer the hotspot, but it isn't what it used to be 10 years ago with the
20 Arab Spring, for instance. And so, they do not need to have so many troops around. But I
21 believe that within the coming two years, maybe not now, maybe in another two years, you
22 might have political or diplomatic engagement on a bigger standing.

23
24 Now, of course, part of it is that they do not want to leave the vacuum that you talked about,
25 that they don't want to leave it for Russia or China as possible. Of course, this is international
26 politics, but at the same time, I think they do have a lot of allies in the region. And for the
27 coming 20, 30 years, I don't think that the engagement will be substantially less.

28
29 **The Middle East states need a balanced position between the major powers and new**
30 **relationship between China and the Middle East countries is inherently complementary,**
31 **feeling the strategic and geopolitical gaps of both sides. The question, however, arises how**
32 **to balance this relation. The question for China is also how to raise attractiveness**
33 **compared to all the parties involved in the Middle East, such as US, Russia and EU, and**

34 **also how it should be kept stable so that it can be sustainable for China. What do you**
35 **think how China's approach to Middle East will be in that regard?**

36 Well, China is definitely on the rise and the development of China was something phenomenal
37 that we have never seen in history before, this economic miracle. And definitely we could
38 easily see the exponential rise of China. So, the Chinese must be doing something, right? So,
39 it is a model to look into and see what the Chinese did right. And then try to emulate. Now, the
40 Chinese investments abroad and even Egypt. So, we do see a lot of Chinese companies. I was
41 on a coastal road here and I saw a very big Chinese company that was interested in mining. For
42 instance, we have building construction going on here. We have, I guess, a seven-kilometer
43 area and the Suez Canal area with total investment of three hundred fifty million dollars. That
44 would supposedly be part of BRI. Exactly. So, yes, the Chinese are an economic power and
45 also a political power that everybody has to reckon with. And they are an important part of the
46 international system. China has traditionally since the mid 50s, we have a China policy since
47 nineteen fifty-five, I believe. And since then our relationship has always been there. So it's not
48 like we started yesterday or started after Deng Xiaoping.

49

50 **How can China gain the trust of the Middle East? States, especially Middle East, seems**
51 **to be in a dilemma whether China can be regarded as a reliable ally in the event of**
52 **disagreements with old allies. And to what extent can China differ from previous models**
53 **of colonialism?**

54 Well, first of all, China is not a colonial power. It never colonized anything in the Middle
55 East. The last time we had somebody coming from where China is now are the Mongols and
56 they are not completely Chinese. We have a good relationship with China. So we have a lot to
57 do with China. I don't know how much we export and the imports from China, but it is
58 substantial.

59

60 The way China deal with it in general Middle East conflict, as a member of the Security
61 Council, a permanent member of the Security Council, always has a lot of bearing. So, let's say
62 the situation in Iraq with Iran, we have the situation, for instance, in Syria, the situation in
63 Libya, and then we have the people that our problem with the Grand Ethiopian Renaissance
64 Dam and how China responds to all that is very, very important, of course, because you know
65 your friends from their actions.

66

67 **How central is Egypt to the broader vision of BRI?**

68 You have four land routes, and you have two what you call maritime routes. So, we are at the
69 very end of one of the maritime routes. So, I think we are not in the center stage. We are not
70 the core BRI. Egypt is just very important because of the Suez Canal. So, we have this this
71 kind of relationship. But I don't think that we are one of the big building blocks of it. But our
72 relationship has always been good and therefore also the trust was here, which is the reason
73 why we among the first countries that joined the BRI.

74

75 **Do you agree that China is using soft power through BRI?**

76 Well, yes, definitely it will increase, of course, Chinese products and export as well as
77 influence, which is not a bad thing because, you know, it's done based on something which is
78 quite peaceful. We understand that China is a part and puzzle of the continuum in the region.
79 It's not a new country. It has always been there before the industrial revolution. Most in global
80 GDP was in that area in China. So, I think it's a very natural thing. It's a very natural
81 development for China to extend this way. Now, a few countries have been talking about things
82 that, of course, I don't know if it's true or not, but about some kind of infrastructure projects
83 that that were seized and stuff like that. But I don't think or I don't see that it is an alarming
84 issue. I have not seen any alarming form.

85

86 **Can this non-interference principle in their policy, which is also reflected in their Vision
87 and Actions of Belt and Road Initiative, can be regarded as attractive or even be regarded
88 as soft power?**

89 Yes definitely, but also I think the idea of not noninterference in internal affairs is something
90 that is enshrined in the UN charter. So, I would not say it's only a Chinese value. It is the value
91 of the post-World War era..

92

93 **What do you think about this economic attractiveness, in the context of BRI. Do you think
94 there's also kind of like a soft power in their economic attractiveness?**

95 Absolutely. Well, we have to look always when we look at developmental models, we just
96 don't look at one model and then we try to fit it for all. This is the problem that has been done,
97 let's say, by many of the IMF programs that usually lead to riots because they don't look at the
98 cultural and economic specificity of a country. A country like China may need a central
99 authority to get things done. And in case of Egypt, this is my personal view, is that we cannot
100 have a federal system, for instance, because the way Egypt was created seven thousand years
101 ago was that you had one person to distribute the water or to the farmers, and that's how the

102 state developed. So, we are one of the oldest states in the region and the world for that matter.
103 And when somebody comes and says, why don't you do decentralize or why don't you have a
104 federal state, it doesn't work because this is in the mentality. So definitely China is similar to
105 ours, and China's government has done wonders. And why? Because they had a political
106 development model and a good economic development model that was commensurate with the
107 cultural and social specificity of China of which of course cannot be applied to every country,
108 especially not in the West.

109

110 **China is very involved in the mega projects for example in the Suez Canal Economic Zone,**
111 **where they build rails and help Egypt, even to become one of the largest fiberglass**
112 **manufactories in the region. And currently it's helping to build a new capital city. And it**
113 **also brings a good image of China in the long term of helping those countries to develop their**
114 **national goals and principles and being so involved in the most crucial infrastructure**
115 **construction works. But does it also have any adverse implications?**

116 I'll tell you why we have not seen this here in Egypt, because to be very honest with you,
117 everything is done by the Egyptian government and then it subcontracts. So, most of the
118 workers are Egyptian. An adverse implication can happen in countries when all the workers
119 come from abroad. Then this is where the adverse effect begins because the worst thing that
120 you can do in a developing country is not give jobs, because when people come from abroad
121 to work in another country and then they do most of the work, and then you would have to
122 crowd out the local employment. This is where the problem happens. We did not do that. We
123 have our own workers working. So even I was at the Capitol yesterday and looking at the
124 progress. Yes, there are Chinese companies that is clearly. But most of the people you see on
125 the road are Egyptians working.

126

127 **Do you think that the attempt to institutionalize Chinese currency, Renminbi, is regarded**
128 **as soft power?**

129 Well, yes and no, definitely be a form of soft power, you know, once you have an international
130 Renminbi and then, of course, there would be the ability of China to effect that. But at the same
131 time, a lot of pressure on Yuan. And what would you do then? So I'm not quite sure how that
132 works and then how it would work with the dollar and with the different other currencies of
133 Euro and the British pound. But definitely I would say yes, if the exogenous shocks from the
134 international economy would not adversely affect China. So, for instance, if something happens
135 and then there is a major appreciation of the renminbi, then you will not be able to put back.

136 And this is how it happens. You know, if, for instance, inflation decreases or there is deflation,
137 then you automatically have an appreciation of the Chinese currencies and then this would
138 affect trade. So, it's a very it's a very delicate thing.

139

140 **BRI promotes the people-to-people exchange bonds by promoting many educational**
141 **exchanges, building Confucius institutes, tourism or helping other countries when it**
142 **comes to Covid-pandemic. What do you think, are these soft power tools?**

143 Well, you know, one of the major well, everybody knows China from a very long period of
144 time, so you can read about China. So we know China two thousand years ago. So, it is a
145 household name. So Chinese culture is a household name. Now, I know that we have a section
146 in the Liberal Arts University that teaches Chinese Mandarin, of course. But with language we
147 already have for a very long period of time. We have Persian. Chinese. Hebrew. So, Chinese
148 has been there for quite some time and other people who studied in China. I met a lot of people
149 from the Ministry of Foreign Affairs who took a grant to study Chinese in China. So, we have
150 people who speak Chinese here. So definitely I would say within the coming 20 years,
151 Mandarin would be a language that would need to be studied more frequently. The question
152 here, and this is something that we will wish we saw with Arabic as well, is that our application
153 would be completely different because we have different phonetics.

154

155 **What about tourism?**

156 Yes, sure. We see more Chinese tourists coming to Egypt in the last years.

157

158 **What about the humanitarian aid for example during the Covi-19 pandemic, can this be**
159 **a soft power through the BRI, especially there is a health initiative under the BRI?**

160 That is something power because China was among the very first countries that came up with
161 a vaccine. People will talk about the vaccine is not as effective as but it is still a vaccine. We
162 were working on a vaccine here. And when I was in Switzerland, they were working on a
163 vaccine and we were cooperating together, but we were unable to get it. So we got it from
164 China. And, of course, gives you a little bit of importance, definitely.

165

166 **What might be the opportunities of the BRI in Egypt?**

167 Yes, it does, of course. Because look at we have a big area with Africa. We have the area with
168 the Arab countries, and we have the free trade area with the European Union. So, you can easily
169 produce things in Egypt and export it to those countries free of charge. So, if a company wants

170 to to produce X, it can do it in Egypt, provided that, of course, it applies the rules of origin
171 between us and you and then export from Egypt. There are many countries that many countries
172 in the Schengen area have already been coming. Turkey was one. India is another. You have
173 countries that come here and they want to make use of our web of free trade areas. Yes,
174 definitely we can.

175

176 **What might be the challenges of the BRI in Egypt?**

177 The main channel, Egypt, is to be able to get direct foreign investment to make use of this of
178 this initiative, and we didn't sign those free trade areas only for our businesses. We wanted to
179 attract foreign investment. Now, that is not easy know in the world after Covid-19 and with the
180 supply chains being cut, because a lot of countries, especially in China, the Qatari and
181 Switzerland, they have been talking about bringing the supply chain closer to Europe and to
182 the United States. So, Apple, for instance, is thinking of leaving China, for instance, for that
183 reason. But they want to go to India. And to be very honest with you, the difference between
184 China and India is not that close. So how would that affect Egypt? Yes, we are trying, of course,
185 to get some of that trade.

186

187 **Do you think there will be an economic dependency on China?**

188 No, I don't think so. The countries in Central Asia are more on that, but I guess because we
189 come at the very end, so we are not I would say we're not a poor country. Yes, we are an
190 original one of the original members. But I guess the main thrust of this policy is in Central
191 Asia.

192 **BRI is more on an economic level but can this project be transcend to political sphere?**

193 Yes definitely once you start with trade and then you end up with politics. So the ability of
194 having political implications is definitely there.

195

196 **Do you think that there is a certain level of soft power involved in BRI?**

197 Yes, there is, but I think limited.

198

199 **What do you think about the Sino-Arab i.e. Egypt relations near future?**

200 Surely it will deepen, especially through BRI. And in terms of the U.S., we are partners with
201 both countries and we would like to cooperate with both because there is no reason to pick and
202 choose, we are a country that needs a lot of things and our cooperation with everybody is
203 important.

1 **Interview with expert No. 6 on 11.05.2021**

2 **It will be interesting to hear your opinion about the rising role of China in**
3 **international relations, especially in the Middle East region. Although United States**
4 **involvement in the Middle East has waned, the United States will still play an**
5 **important role in the Middle East region. But it will have less freedom of action in**
6 **the region as new external regional powers like China enter the scene and try to fill**
7 **the void left by the US. What do you think on this statement?**

8 It's actually a very big question, to be honest. So, I'm generally not so fond of that
9 narrative that China is filling a void or a vacuum. So, to say that is left by the U.S. because
10 that reads a lot as if the changing behavior of the U.S. was a major surprise, but in fact, it
11 is not. So, over the past years, I think we have seen quite some disengagement of the U.S.
12 from the Middle East region with the result that China is, of course, reacting to that, being
13 more proactive in its approach to the Middle East. But China is doing that still in a rather
14 very cautious way because it is a newcomer to the region. It is not a traditional power in
15 the Middle East like the U.S. and probably next to U.S. is EU and Russia. But of course,
16 as far as the U.S. role is changing and its long-standing dominance in the region is maybe
17 coming to an end. And also, the role of the US being a security provider in the broader
18 Middle East is also changing. China's role is becoming of increasing importance, I think
19 also for the countries in the region. But for now, I think China is very cautious in its
20 approach to the region and it's mainly focusing on economic relations or maybe cultural
21 relations.

22
23 But when it comes to like the hard, hard power security relations, for example, China
24 does not seek to substitute or even flank Washington as a security guarantor, which sort
25 of revokes that narrative that China is filling a void, or a vacuum created by the US.

26
27 **The Middle East states need a balanced position between the major powers and new**
28 **relationship between China and the Middle East countries is inherently**
29 **complementary, feeling the strategic and geopolitical gaps of both sides. The**
30 **question, however, arises how to balance this relation. The question for China is also**
31 **how to raise attractiveness compared to all the parties involved in the Middle East,**
32 **such as US, Russia and EU, and also how it should be kept stable so that it can be**
33 **sustainable for China. What do you think how China's approach to Middle East will**
34 **be in that regard?**

35 Very interesting question, and I think part of the answer is already in that question,
36 because you mentioned that, that the question is how to balance this relationship. But I
37 think your balancing is already part of the answer as well because China needs to balance
38 very carefully, very cautiously. How active it can be in the region without being bogged
39 down in regional turmoil or skirmishes, and I think a major advantage of China or at least
40 one of its major selling points, especially in comparison to the US, is referring to the
41 principle of non-interference.

42

43 You probably know that this is one of the major principles in China's foreign policy, and
44 it often refers to that when it comes to the Middle East that goes hand in hand with China
45 cooperating with democratic and autocratic regimes. Likewise, without making any
46 difference, without requesting, for example, a liberalization of the market or
47 democratization efforts. It is what we often call a no strings attached policy or a no strings
48 attached approach, and that differ significantly from what the U.S. does and what
49 probably also the EU does.

50

51 I think another point is that also, again, in contrast to the U.S., China does not have that
52 much of a turbulent or critical past in the region. So, for many countries, I think that
53 makes a major difference. For example, China can have economic ties to a lot of countries
54 in the region, for example, in the Gulf, regardless of existing rivalries, because it does not
55 have particular rivalries with Iran, for example, like the U.S. does. But it can be much
56 more apolitical in comparison to the U.S. And I think a lot of what we see is an approach
57 that is driven mostly by economic considerations, by Beijing's energy appetite, the need
58 for oil, for resources. But politically, China has been very reluctant to become involved
59 in regional disputes. And I think this this apolitical logic is very important for China to
60 remain neutral in regional power disparities. But it is also something that countries in the
61 region might benefit from or they might like in comparison to what the U.S., for example,
62 is doing.

63

64 **Can this non-interference principle in their policy, which is also reflected in their**
65 **Vision and Actions of Belt and Road Initiative, can be regarded as attractive or even**
66 **be regarded as soft power?**

67 Yeah, I think that you completely got a point in saying that. And that goes again into the
68 direction of noninterference with domestic affairs of the countries that China is doing

69 business with. And that might be read as a sort of political value. But I think it is a major
70 factor in China's foreign policy strategy to put forward this principle of noninterference,
71 at least rhetorically, because what we see on the ground is a very free interpretation of
72 noninterference. And what happened in Syria and what happened in Libya and how China
73 reacted to that in both cases already shows that China is interpreting that political value
74 quite freely. But rhetorically, I think that there's a lot of endorsement of noninterference
75 as that political value that China uses to maybe attract countries from the region.

76

77 But I don't think that this is necessarily something new. I mean, this soft power element
78 has been in China's foreign policy for decades already. Already, Mao has stressed China's
79 people's diplomacy. That was the label back then. Hu Jintao later called for an
80 inspirational power, which is again, a different label to the same approach but was not an
81 important tool as it is under Xi Jinping now, I think. And it's really interesting to analyze
82 that in the context of the BRI, China is actively seeking to project a certain image of the
83 country to the world, a responsible rising power, for example. And I think that is that is
84 very crucial.

85

86 **What do you think about this economic attractiveness, in the context of BRI. Do you**
87 **think there's also kind of like a soft power in their economic attractiveness? For**
88 **Egypt and Saudi Arabia?**

89 I mean, if we focus for a moment on what soft power is, in the words of Joseph Nye,
90 which is, I mean, the ability to achieve desired outcomes through attraction rather than
91 coercion, I think there is certainly a soft power element in BRI, when it comes to
92 economic attractiveness. But I think what is more important in terms of soft power, what
93 could be interpreted in terms of soft power is economic, China's economic growth. China
94 being a sort of role model, so to say, development model, Chinese model, the
95 development model of China that China embodies.

96

97 And that might be the case, or this might explain why China often seems to be so attractive
98 for countries from the global south, for example, that still have the development process
99 in front of them, and that look up to China, so to say, for its development from a very
100 poor developing country to one of the most important global powers in a relatively short
101 time period. And that has been very successful. If we believe the facts and figures, this
102 successful model of poverty elevation, and I think this is certainly appealing to a lot of

103 countries from the global south, a lot of developing countries that can be read as a form
104 of soft power. Yeah, it is an attraction. Whether it is a cultural, when it comes to Confucius
105 Institutes being built up everywhere, people learning Chinese, et cetera, etc. or an
106 economic attractiveness, I think it doesn't matter.

107

108 **Egypt and Saudi Arabia have their national development programs, which was**
109 **made in 2016, and they made a synergy with the BRI. Do you think this could be**
110 **also, especially when a country helps other countries to achieve their national goals,**
111 **can be seen as an attractive and appealing partner?**

112 I think it is an important element, but I wouldn't necessarily say that this is a form of soft
113 power, but rather a form of trans regional cooperation that we don't see only with regards
114 to China. But I mean, any country does that helping other countries develop. It's a form
115 of development cooperation that we see. Many examples of so I wouldn't say that this is
116 something which is very specific to China's BRI, but what China is very happy to do is,
117 of course, depict itself as a country that is helping others develop. That's the whole idea
118 behind this, this connectivity idea that the BRI puts forward, helping other countries
119 develop, creating this connected world. But again, I think this is also a form of strategic
120 communication that the Chinese leadership is applying.

121

122 **Do you think that financial attractiveness could also be a soft power, especially when**
123 **it comes to IMF or World Bank that lend but have such rigid conditions attached,**
124 **and China does not?**

125 I mean, that is exactly what I meant when I mentioned earlier, like the conditions on
126 which these loans are given, no strings attached, noninterference. This is, I think, what
127 makes China such an appealing partner for many countries. But I wouldn't go so far to
128 label any form of cooperation as soft power, I mean, if we say financial aid is soft power,
129 then what is left to be hard power? Is it only military cooperation? Is it only coercion?
130 Because on a resource basis, I would say anything concerning financial resources,
131 investments, military corporations can also be a form of hard power.

132

133 But still, as I mentioned earlier, young people or countries, a lot of countries look up to
134 China because they have these very easy to get loans, no strings attached, etc. So, yeah,
135 of course, this goes hand in hand with financial aid, being given from China to many
136 countries in the global south, including Egypt and Saudi Arabia.

137

138 **Do you think that the attempt to institutionalize Chinese currency, Renminbi, is**
139 **regarded as soft power?**

140 Yeah, that is certainly an element of that as well.

141

142 **BRI promotes the people-to-people exchange bonds by promoting many educational**
143 **exchanges, building Confucius institutes, tourism or helping other countries when it**
144 **comes to Covid-pandemic. What do you think, are these soft power tools?**

145 Yeah, definitely, I think this is a classical example for soft power. Confucius Institutes
146 being built not only in the Middle East but around the world. Even here in Germany, we
147 have a lot of Confucius Institutes people to people exchange student exchanges, for
148 example, student exchange programs. I think these are classical examples of cultural
149 form of soft power.

150

151 **Do you think that Middle East region tends to be more attracted to soft power than**
152 **in the Western countries?**

153 I mean, it is difficult to measure soft power because it would mean to measure how. To
154 what extent China reaches that aim to be attractive and I mean comparing the Middle East
155 to Europe, we have hugely different systems, we have significantly different economies,
156 societal structures. So, I think it is difficult to compare that. But I mean, it always depends
157 on whether soft power initiatives fall on fertile ground or not. But I wouldn't say that this
158 is generally more the case for the Middle East than it is for Western countries. For
159 instance, if we look at the 17 plus one cooperation forum between Central and Eastern
160 European states and China, we see a lot of cooperation there, not only economically, but
161 also in terms of cultural exchange. But, of course, when we focus on Western countries,
162 we always have that systemic rivalry as a shadow, so to say. So the liberal world order,
163 the liberals grip, the liberal values that Western countries feel that they these are always
164 often challenged by China's international behavior.

165

166 And I think that already creates a certain rivalry or general mistrust. For example, the
167 EU's most recent strategic outlook on China of March 2019. And that said explicitly that
168 China is regarded as a competitor, but also a systemic rival. And that, of course, creates
169 not such a fruitful environment for cultural initiatives or soft power initiatives than in the
170 Middle East, for example.

171

172 **Is tourism regarded as soft power?**

173 When it comes to tourism, this is also a classical example for soft power, sending people
174 or making people travel to, for example, China's experience. I think that is a major
175 element.

176

177 **And what about China's Covid-19 pandemic assistance?**

178 Yeah, it's certainly the image that China wants to create. Yeah, being a responsible
179 international partner, I think that is a lot of what these initiatives aimed at creating the
180 image of China being responsible, great power, especially against the backdrop that China
181 is often accused of being assertive, the China threat and so on. So, to say that this is
182 something which the Chinese leadership is strategically aiming at creating the different
183 image of China and this whole I mean, there are a lot of words for that in the context of
184 the covid-19 pandemic vaccine, diplomacy, health diplomacy, whatever we call it. I think
185 that is a really interesting element that we can frame a soft power as well.

186

187 **What do you think about the Sino-Arab i.e. Egypt and Saudi Arabia, relations near
188 future?**

189 Well, in economic perspective there is potential for further cooperation's, but not military.
190 But I think there are two scenarios. Basically, what I think will definitely happen is that
191 under BRI, in terms of economic cooperation, the relation between Egypt and China and
192 Saudi Arabia and China, will definitely deepen. So, this will expand, of course. And I
193 think that's not surprising that this will be the case because both sides need each other to
194 some extent. And we can talk about that in a minute as well, to what extent they need
195 themselves, each other and why?

196

197 Whether this actually turns into an also political cooperation, I think it can happen, but it
198 depends more on whether China wants that to happen. As I said before, China is very
199 cautious in navigating its relations in the region and the overall MENA region and seeks
200 to remain apolitical to an extent.

201

202 But I personally, I am not so sure how long China can keep doing that because economic
203 engagement comes attached with some form of security responsibilities at one point or
204 the other. And I think the recent tour that the Chinese foreign minister made to the region

205 in that context. Also, this China ground agreement, for example, was concluded shows
206 already that that China is trying to reach out and see what is possible and what is not
207 possible. I don't think that this will translate into security or political cooperation now.
208 But I think at one point China has to think about its role in the region and stepping aside
209 a little bit from this apolitical approach. I don't see any other way that China can deepen
210 its footprint in the region. It cannot be the only economic like an only economic partner.
211 This will come attached with certain responsibilities. And if China is not offering these,
212 at one point, I think its cooperation partners in the region, they will call for that and they
213 will request that. And we see evidence for that already. We see military cooperation on a
214 very low level, but we see it happening, for example, between Saudi Arabia and China,
215 for example, when it comes to China, has at one point stepped over the US, been to build
216 a manufacturing plant for four drones, for example, that are very similar to American
217 predator drones. And Saudi Arabia was happy to purchase these. So, we see that already
218 happening. But on a very small or very low level.

219

220 Another problem attached to BRI is cybersecurity. That is also interesting. I mean,
221 cybersecurity wise, there is a lot of cooperation already going on between Saudi Arabia
222 and China and in terms of surveillance and artificial intelligence technology. Especially
223 in the context of the global pandemic, a lot of initiative have evolved, so I think at some
224 point that will certainly happen. China is taking over at least a small security role in the
225 region.

226

227 **What might be the opportunities of the BRI for those two states?**

228 There are many challenges but there also many opportunities. Again, very, very tricky
229 question. If we look at the perspective of Egypt and Saudi Arabia, so why do they
230 cooperate with China? What is what is the opportunity in that? What is the potential or
231 what are the benefits? I think for both countries, it is a chance to diversify their portfolio
232 of international partners, making their international partners, not only Western countries,
233 but also of China. That has a completely different way of thinking, of thinking about
234 development, of thinking about investments, of cooperation, etc. So, I think for both sides
235 it is very important to diversify their international partners. China does bring money into
236 these countries that develop in terms of infrastructure. For example, in Egypt the Suez
237 Canal Economic Zone. And also, Chinese investments are starting to generate job
238 opportunities for Egyptian workers, for example, for local workers and the same, of

239 course, in Saudi Arabia. So China is bringing a lot of money to these countries, a lot of
240 investment opportunities.

241 But the downside, of course, is that not so much for Saudi Arabia maybe, but for Egypt,
242 I think a little bit more is the new dependencies are created dependencies on China,
243 especially through these loans that often have a very long, long term period that that run
244 for 20 or more years.

245

246 And that, of course, makes Egypt to some extent dependent on China for this period. And
247 I think this is also something which the Chinese leadership does very strategically binding
248 the countries to China. But also the trade imbalance could be a challenge.

249

250 But also, a challenge, at least from the Chinese side, is to what extent they can implement
251 these projects without taking over the security role. So, I think from a Chinese
252 perspective, without being able to speak for Beijing or for the Chinese leadership, I think
253 that's a major concern. So China needs to have this very balanced approach.

254

255 **Do you think that there is a certain level of soft power involved in BRI?**

256 Yes, definitely. I think soft power is involved in anything the Chinese leadership is doing
257 at the moment, I think this, and I mentioned that before, does this aim to project a certain
258 image of China into the world is really crucial for the Chinese leadership. And whether it
259 can reach this aim or not, I think determines to a vast extent the success of all this, and
260 the future of China's global role. I also think that soft power is at least integrated into
261 anything that the Chinese leadership is doing at the moment in terms of foreign policy. It
262 has this economic attractiveness. It has a lot of power also in terms of hard power. It is
263 one of the biggest global economies. But this aim of projecting an image, strategic
264 communication, is something that goes along with that. For example, the endorsement of
265 multilateralism, of depicting China as a reliable partner. I think that is very crucial. And
266 BRI is the flagship project of China's foreign policy at the moment, there are certainly a
267 soft power element to that

Appendix 2

Table: Dataset of China's Global Investment Tracker in Middle East (American Enterprise Institute and the Heritage Foundation database, 2020)

Year	Quantity in Millions	Sector	Subsector	Country
2005	\$ 100	Transport	Aviation	Qatar
2005	\$ 150	Utilities		Oman
2005	\$ 170	Real estate	Construction	Saudi Arabia
2005	\$ 1'270	Transport	Rail	Turkey
2005	\$ 350	Chemicals		Saudi Arabia
2005	\$ 290	Energy	Oil	Syria
2005	\$ 900	Metals	Aluminum	Iran
2005	\$ 580	Real estate	Construction	Saudi Arabia
2006	\$ 300	Real estate	Construction	UAE
2006	\$ 310	Transport	Rail	Iran
2006	\$ 540	Real estate	Construction	Qatar
2006	\$ 260	Real estate	Construction	Yemen
2006	\$ 2'840	Energy	Oil	Iran
2006	\$ 940	Metals	Aluminum	Egypt
2006	\$ 220	Real estate	Construction	Yemen
2007	\$ 350	Real estate	Construction	UAE
2007	\$ 160	Transport	Autos	UAE
2007	\$ 430	Real estate	Construction	Kuwait
2007	\$ 990	Metals	Aluminum	Saudi Arabia
2007	\$ 250	Real estate	Construction	Yemen
2007	\$ 370	Real estate	Construction	Egypt
2007	\$ 410	Transport	Shipping	Kuwait
2007	\$ 150	Logistics		Egypt
2007	\$ 210	Energy	Hydro	Iran
2007	\$ 110	Metals	Aluminum	Iran
2007	\$ 100	Transport	Rail	Jordan
2007	\$ 610	Energy	Coal	Turkey
2007	\$ 1'200	Metals	Aluminum	Saudi Arabia
2007	\$ 350	Chemicals		Saudi Arabia
2007	\$ 230	Logistics		Saudi Arabia
2007	\$ 2'010	Energy	Oil	Iran
2007	\$ 1'080	Energy		Iraq
2007	\$ 140	Tourism		UAE
2008	\$ 470	Energy	Oil	Yemen
2008	\$ 560	Chemicals		Saudi Arabia
2008	\$ 160	Real estate	Construction	Oman
2008	\$ 200	Metals	Steel	Iran
2008	\$ 110	Real estate	Construction	Turkey
2008	\$ 610	Other	Education	Saudi Arabia

2008	\$	140	Energy	Gas	Jordan
2008	\$	1'990	Energy	Oil	Syria
2008	\$	220	Transport	Shipping	Egypt
2008	\$	760	Energy	Coal	Turkey
2008	\$	140	Utilities		Qatar
2008	\$	160	Transport	Shipping	Egypt
2008	\$	3'290	Energy	Oil	UAE
2008	\$	260	Transport	Autos	UAE
2009	\$	1'760	Energy	Oil	Iran
2009	\$	440	Metals	Steel	Turkey
2009	\$	440	Real estate	Construction	UAE
2009	\$	230	Health		UAE
2009	\$	390	Transport	Rail	Saudi Arabia
2009	\$	100	Transport	Shipping	Saudi Arabia
2009	\$	1'160	Transport	Rail	Saudi Arabia
2009	\$	2'990	Energy	Oil	Iraq
2009	\$	350	Energy	Oil	Kuwait
2009	\$	640	Real estate	Construction	Qatar
2009	\$	280	Real estate	Construction	Egypt
2009	\$	1'650	Energy	Oil	Saudi Arabia
2009	\$	530	Other	Education	Saudi Arabia
2009	\$	100	Energy	Gas	Qatar
2009	\$	400	Real estate	Construction	Saudi Arabia
2009	\$	720	Energy		Oman
2009	\$	5'590	Energy	Oil	Iraq
2009	\$	160	Energy		Kuwait
2010	\$	130	Agriculture		UAE
2010	\$	360	Energy		Turkey
2010	\$	780	Real estate	Construction	Turkey
2010	\$	1'480	Energy		Syria
2010	\$	1'990	Energy	Oil	Egypt
2010	\$	200	Real estate	Construction	Saudi Arabia
2010	\$	250	Real estate	Construction	Iraq
2010	\$	1'440	Agriculture		Israel
2010	\$	1'500	Energy	Hydro	Iran
2010	\$	290	Utilities		Iran
2010	\$	570	Real estate	Construction	Kuwait
2010	\$	110	Real estate	Construction	Iraq
2010	\$	300	Real estate	Construction	Syria
2010	\$	140	Real estate	Construction	Saudi Arabia
2011	\$	720	Real estate	Construction	Qatar
2011	\$	450	Real estate	Construction	UAE
2011	\$	100	Transport	Shipping	Egypt
2011	\$	880	Transport	Shipping	Qatar
2011	\$	190	Transport	Shipping	Egypt
2011	\$	260	Other	Education	Kuwait

2011	\$	1'010	Energy		Iraq
2011	\$	280	Metals	Steel	Iran
2011	\$	100	Metals	Steel	Iran
2011	\$	100	Energy	Oil	Saudi Arabia
2011	\$	590	Transport	Rail	Iran
2011	\$	170	Energy	Oil	Iraq
2011	\$	200	Agriculture		Saudi Arabia
2011	\$	130	Chemicals		Saudi Arabia
2011	\$	150	Energy	Gas	Egypt
2011	\$	930	Metals	Aluminum	Iran
2011	\$	640	Energy	Gas	Turkey
2011	\$	120	Real estate	Construction	Qatar
2011	\$	180	Real estate	Construction	Saudi Arabia
2011	\$	3'710	Energy	Oil	Saudi Arabia
2011	\$	130	Real estate	Construction	Qatar
2012	\$	230	Other	Industry	Egypt
2012	\$	320	Energy	Oil	Egypt
2012	\$	510	Other	Education	Kuwait
2012	\$	140	Transport	Autos	Israel
2012	\$	950	Real estate	Construction	UAE
2012	\$	1'250	Transport	Rail	Iran
2012	\$	120	Transport	Autos	Turkey
2012	\$	150	Energy	Oil	Saudi Arabia
2012	\$	600	Energy	Alternative	Turkey
2012	\$	700	Energy	Oil	Iraq
2012	\$	130	Utilities		Iraq
2012	\$	1'180	Energy	Oil	Iraq
2012	\$	130	Energy		Turkey
2012	\$	190	Real estate	Construction	Saudi Arabia
2012	\$	160	Logistics		Saudi Arabia
2012	\$	200	Energy	Coal	UAE
2012	\$	990	Utilities		Saudi Arabia
2012	\$	340	Transport	Shipping	Saudi Arabia
2012	\$	690	Metals	Steel	Iran
2013	\$	1'100	Chemicals		Turkey
2013	\$	710	Metals	Steel	Iran
2013	\$	160	Transport	Aviation	UAE
2013	\$	460	Energy	Hydro	Turkey
2013	\$	120	Health		UAE
2013	\$	500	Real estate	Property	Egypt
2013	\$	240	Health		Israel
2013	\$	2'400	Energy	Coal	Turkey
2013	\$	450	Tourism		UAE
2013	\$	600	Transport	Autos	Qatar
2013	\$	550	Energy	Oil	Iraq
2013	\$	500	Utilities		Saudi Arabia

2013	\$	3'100	Energy		Egypt
2013	\$	220	Energy		Turkey
2013	\$	1'700	Energy	Oil	Jordan
2013	\$	390	Transport	Shipping	Saudi Arabia
2013	\$	1'250	Energy	Oil	Iraq
2013	\$	170	Utilities		Iraq
2013	\$	270	Other	Education	Jordan
2013	\$	190	Real estate	Construction	Saudi Arabia
2013	\$	510	Transport	Shipping	Yemen
2013	\$	160	Utilities		Iraq
2013	\$	1'720	Energy		Saudi Arabia
2014	\$	190	Real estate	Construction	Iraq
2014	\$	100	Energy	Alternative	Kuwait
2014	\$	200	Transport	Shipping	Saudi Arabia
2014	\$	160	Real estate	Construction	Iran
2014	\$	320	Finance	Banking	Turkey
2014	\$	110	Transport	Autos	UAE
2014	\$	100	Transport	Aviation	UAE
2014	\$	190	Energy	Oil	Saudi Arabia
2014	\$	1'560	Agriculture		Israel
2014	\$	350	Metals	Steel	Iran
2014	\$	500	Utilities		Saudi Arabia
2014	\$	420	Energy	Oil	Iraq
2014	\$	170	Transport	Shipping	Qatar
2014	\$	100	Transport	Autos	UAE
2014	\$	170	Utilities		Qatar
2014	\$	610	Energy	Oil	Iraq
2014	\$	370	Real estate	Construction	Egypt
2014	\$	140	Real estate	Construction	Kuwait
2014	\$	330	Tourism		UAE
2014	\$	950	Transport	Shipping	Israel
2014	\$	220	Utilities		Qatar
2014	\$	100	Finance		Israel
2014	\$	1'980	Real estate	Construction	Saudi Arabia
2014	\$	100	Energy	Oil	Saudi Arabia
2014	\$	320	Transport	Rail	Iran
2014	\$	1'600	Energy	Oil	Jordan
2014	\$	180	Energy	Coal	Iran
2015	\$	100	Technology		Israel
2015	\$	380	Energy		Turkey
2015	\$	170	Tourism		UAE
2015	\$	460	Other	Education	Kuwait
2015	\$	600	Transport	Rail	Egypt
2015	\$	450	Chemicals		Saudi Arabia
2015	\$	100	Real estate	Construction	Saudi Arabia
2015	\$	190	Other	Industry	Egypt

2015	\$	330	Energy	Oil	UAE
2015	\$	160	Real estate	Construction	Turkey
2015	\$	990	Utilities		Egypt
2015	\$	530	Energy	Oil	Iraq
2015	\$	100	Real estate	Construction	Turkey
2015	\$	300	Agriculture		Oman
2015	\$	140	Energy	Oil	Saudi Arabia
2015	\$	130	Tourism		UAE
2015	\$	140	Energy	Oil	Iraq
2015	\$	920	Logistics		Turkey
2015	\$	350	Other	Industry	Jordan
2015	\$	500	Transport	Autos	Iran
2015	\$	700	Energy	Gas	Saudi Arabia
2015	\$	130	Transport	Autos	UAE
2015	\$	1'700	Energy	Oil	Kuwait
2015	\$	1'290	Energy	Gas	Saudi Arabia
2015	\$	1'180	Utilities		Qatar
2015	\$	110	Transport	Autos	Kuwait
2015	\$	430	Utilities		Saudi Arabia
2015	\$	200	Agriculture		Saudi Arabia
2016	\$	470	Metals	Steel	Iran
2016	\$	330	Transport	Rail	Iran
2016	\$	660	Energy	Coal	Turkey
2016	\$	170	Real estate	Construction	UAE
2016	\$	390	Real estate	Construction	Saudi Arabia
2016	\$	350	Chemicals		Jordan
2016	\$	270	Utilities		Iraq
2016	\$	230	Real estate	Construction	Saudi Arabia
2016	\$	180	Transport	Autos	Saudi Arabia
2016	\$	780	Energy		Egypt
2016	\$	660	Utilities		Qatar
2016	\$	690	Energy	Coal	UAE
2016	\$	260	Energy	Hydro	Israel
2016	\$	110	Finance	Banking	Turkey
2016	\$	950	Energy	Oil	Jordan
2016	\$	240	Other		Oman
2016	\$	120	Real estate	Construction	UAE
2016	\$	580	Other	Education	Kuwait
2016	\$	120	Chemicals		Saudi Arabia
2016	\$	1'960	Utilities		Iran
2016	\$	2'300	Energy	Gas	Oman
2016	\$	1'190	Real estate	Construction	Egypt
2016	\$	2'150	Energy	Coal	UAE
2016	\$	110	Energy	Gas	Qatar
2016	\$	330	Energy	Gas	Oman
2016	\$	1'400	Agriculture		Israel

2016	\$	4'400	Entertainment		Israel
2016	\$	330	Energy	Oil	Saudi Arabia
2016	\$	200	Transport	Autos	Kuwait
2016	\$	670	Logistics		UAE
2016	\$	210	Energy	Gas	Kuwait
2016	\$	1'010	Energy	Gas	Iraq
2016	\$	240	Real estate	Construction	Iraq
2016	\$	600	Energy	Gas	Iran
2016	\$	150	Tourism		UAE
2016	\$	340	Entertainment		Qatar
2016	\$	310	Transport	Autos	Kuwait
2016	\$	280	Energy	Gas	Iraq
2016	\$	100	Technology	Telecom	Turkey
2016	\$	150	Technology	Telecom	Israel
2016	\$	530	Health		Kuwait
2016	\$	200	Energy	Coal	UAE
2017	\$	300	Real estate	Construction	UAE
2017	\$	170	Other	Industry	Israel
2017	\$	1'770	Energy	Oil	UAE
2017	\$	890	Energy	Oil	UAE
2017	\$	220	Metals		Iran
2017	\$	250	Energy	Gas	Saudi Arabia
2017	\$	590	Energy	Oil	Iran
2017	\$	220	Transport	Autos	UAE
2017	\$	710	Real estate	Construction	Kuwait
2017	\$	120	Other	Education	Kuwait
2017	\$	1'370	Utilities		Saudi Arabia
2017	\$	400	Agriculture		Egypt
2017	\$	380	Energy	Gas	Jordan
2017	\$	450	Real estate	Construction	Iraq
2017	\$	170	Real estate	Construction	UAE
2017	\$	300	Other	Industry	UAE
2017	\$	170	Transport	Autos	UAE
2017	\$	110	Real estate	Construction	UAE
2017	\$	1'240	Transport	Rail	Egypt
2017	\$	190	Energy	Gas	Saudi Arabia
2017	\$	2'170	Real estate	Property	UAE
2017	\$	1'990	Energy	Oil	Egypt
2017	\$	170	Transport	Rail	Israel
2017	\$	500	Transport	Autos	Kuwait
2017	\$	1'530	Chemicals		Iran
2017	\$	1'520	Energy	Oil	UAE
2017	\$	1'090	Energy	Coal	Turkey
2017	\$	170	Energy	Alternative	UAE
2017	\$	1'050	Energy	Oil	Iran
2017	\$	100	Energy	Oil	Saudi Arabia

2018	\$	540	Transport	Rail	Iran
2018	\$	140	Other	Consumer	UAE
2018	\$	150	Energy	Alternative	Egypt
2018	\$	710	Transport	Rail	Israel
2018	\$	1'140	Real estate	Construction	UAE
2018	\$	1'180	Energy	Oil	UAE
2018	\$	160	Real estate	Construction	UAE
2018	\$	840	Transport	Rail	Iran
2018	\$	700	Transport	Rail	Iran
2018	\$	270	Energy	Gas	Saudi Arabia
2018	\$	120	Logistics		Egypt
2018	\$	120	Energy		UAE
2018	\$	220	Real estate	Construction	Kuwait
2018	\$	230	Real estate	Construction	Qatar
2018	\$	1'930	Energy	Alternative	UAE
2018	\$	140	Energy	Oil	Kuwait
2018	\$	220	Energy	Oil	Iraq
2018	\$	1'350	Energy	Oil	Iraq
2018	\$	500	Chemicals		Jordan
2018	\$	930	Energy	Alternative	UAE
2018	\$	1'600	Energy	Oil	UAE
2018	\$	560	Energy	Oil	Saudi Arabia
2018	\$	1'060	Energy	Oil	Kuwait
2018	\$	180	Other	Industry	Egypt
2018	\$	350	Real estate	Construction	UAE
2018	\$	320	Energy	Oil	Oman
2018	\$	410	Chemicals		Saudi Arabia
2018	\$	100	Health		Israel
2018	\$	650	Energy		Kuwait
2018	\$	140	Real estate	Construction	UAE
2018	\$	670	Other	Textiles	Egypt
2018	\$	3'450	Real estate	Construction	Egypt
2018	\$	100	Technology	Telecom	UAE
2018	\$	150	Real estate	Construction	Saudi Arabia
2018	\$	220	Transport	Autos	UAE
2018	\$	160	Energy	Oil	Iraq
2018	\$	100	Energy	Oil	Iraq
2018	\$	3'020	Transport	Shipping	Saudi Arabia
2018	\$	300	Energy	Oil	Saudi Arabia
2019	\$	610	Transport	Autos	UAE
2019	\$	250	Real estate	Construction	Iraq
2019	\$	270	Energy	Oil	Saudi Arabia
2019	\$	670	Real estate	Construction	Saudi Arabia
2019	\$	150	Energy	Oil	Iraq
2019	\$	210	Transport	Rail	UAE
2019	\$	270	Energy	Gas	UAE

2019	\$	220	Transport	Autos	Kuwait
2019	\$	170	Energy	Gas	Iraq
2019	\$	190	Transport	Autos	UAE
2019	\$	200	Entertainment		UAE
2019	\$	1'070	Energy	Gas	Iraq
2019	\$	120	Energy	Oil	Saudi Arabia
2019	\$	260	Real estate	Construction	Iraq
2019	\$	460	Utilities		UAE
2019	\$	730	Utilities		Bahrain
2019	\$	960	Energy	Alternative	Saudi Arabia
2019	\$	120	Real estate	Construction	UAE
2019	\$	600	Transport	Rail	UAE
2019	\$	260	Energy	Gas	Israel
2019	\$	780	Other	Industry	Saudi Arabia
2019	\$	840	Chemicals		Egypt
2019	\$	120	Real estate	Property	UAE
2019	\$	1'540	Transport	Rail	Iran
2019	\$	260	Utilities		Saudi Arabia
2019	\$	100	Transport	Rail	Saudi Arabia
2019	\$	460	Real estate	Construction	UAE
2019	\$	1'320	Energy	Coal	Turkey
2019	\$	110	Energy	Oil	Iraq
2019	\$	520	Transport	Rail	Israel
2019	\$	700	Energy		Saudi Arabia
2019	\$	120	Energy	Oil	Iraq
2019	\$	140	Energy	Oil	Iraq
2019	\$	400	Energy	Gas	Saudi Arabia
2019	\$	110	Energy	Alternative	Turkey
2019	\$	370	Utilities		UAE
2019	\$	970	Energy		Oman
2019	\$	690	Transport	Autos	Turkey
2019	\$	1'100	Utilities		Saudi Arabia
2019	\$	690	Real estate	Construction	Bahrain
2019	\$	110	Real estate	Construction	UAE
2019	\$	140	Energy		Saudi Arabia
2019	\$	600	Transport	Rail	UAE
2019	\$	850	Chemicals		Egypt
2020	\$	290	Energy	Alternative	Egypt
2020	\$	100	Other	Industry	Kuwait
2020	\$	230	Transport	Rail	UAE
2020	\$	460	Energy	Alternative	Qatar
2020	\$	320	Utilities		Oman
2020	\$	200	Energy	Gas	Iraq
2020	\$	430	Utilities		Saudi Arabia
2020	\$	290	Real estate	Construction	Qatar
2020	\$	120	Transport	Rail	UAE

2020	\$	410	Chemicals		Oman
2020	\$	1'220	Energy	Oil	Saudi Arabia
2020	\$	180	Energy	Oil	Kuwait
2020	\$	140	Energy	Oil	UAE
2020	\$	390	Chemicals		UAE
2020	\$	400	Energy	Alternative	Oman
2020	\$	520	Energy	Oil	UAE

Appendix 3

Table: Dataset of International Trade Statistics between Egypt and China in the period from 2014 -2020 (United Nations Comtrade database, 2020)

Period	Trade Flow	Reporter	Partner	Commodity Code	Trade Value (US\$)
2014	Import	Egypt	China	TOTAL	8,057,648,557
2014	Export	Egypt	China	TOTAL	329,922,507
2015	Import	Egypt	China	TOTAL	9,726,052,048
2015	Export	Egypt	China	TOTAL	440,286,626
2016	Import	Egypt	China	TOTAL	8,994,896,077
2016	Export	Egypt	China	TOTAL	497,558,814
2017	Import	Egypt	China	TOTAL	8,112,424,474
2017	Export	Egypt	China	TOTAL	696,438,790
2018	Import	Egypt	China	TOTAL	11,665,368,906
2018	Export	Egypt	China	TOTAL	1,040,566,403
2019	Import	Egypt	China	TOTAL	12,040,870,528
2019	Export	Egypt	China	TOTAL	556,922,362
2020	Import	Egypt	China	TOTAL	9,051,940,798
2020	Export	Egypt	China	TOTAL	603,114,245