

China's increasing interest in the Middle East

What is the issue?

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- The imminent rise of China will see it taking more interventionist stands in the Middle-East.

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- The potential consequences of such actions for India demand a greater scrutiny into the developments.

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What are the precedents?

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- **Britain** manipulated the politics of the tribal Middle East in the early part of the 20th century to secure its oil needs.

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- In 1911, when Winston Churchill, argued for substituting oil for coal as the fuel for the British Navy, the cabinet was reluctant.

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- This was because Britain had an abundance of coal but no domestic oil, and a shift to oil would expose the navy to the vagaries of international oil supplies.

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- Churchill argued for the economic, logistical and strategic advantage that oil provided and even proposed a road-map for securing supplies through a combination of diplomacy and hard power.

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- This vision led to the birth of the 'Anglo-Persian oil company', and also marked the beginning of the Oil Era.

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- **USA** - Post the 2nd World War, America emerged as the dominant global political, economic and military power.

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- As oil supplies were crucial for sustaining all these, America often sidestepped the liberal principles that it championed.

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- It allied with monarchs and despotic dictators in the middle-east in line with what suited its personal interests.
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What is China's energy status?

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

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

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

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What are India's concerns?

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- India has major strategic interests in the Middle East with its high dependence on the Middle East for oil needs.

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- Also, there are about 8 million Indian citizens working in the region, remitting around \$70 billion annually.

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- China's increasing presence and influence may lead to massive logistic and financial challenges for India.

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Source: Indian Express

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