

The Middle East Oil and the Sino-US Relations

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Abstract: *The strategic importance of the Middle East oil in China's energy security had been and will continue to be prominent. China has been cultivating bilateral relationships with the Middle East oil-producing countries over the last decade. China's energy pursuits in the Middle East have led to tensions in Sino-US relations and may also pose effect upon the American energy and security interests in the region. China should, with an aim to ensure its energy security and further boost its relations with the Middle East, make some necessary readjustments of its policies toward the Middle East and Africa while adhering to its established principles.*

Key Words: *Middle East Oil; Sino-US Relations; Energy Security*

I. The Middle East Oil and China's Energy Security

China became a net oil importer in 1993 and by the end of the 1990s, the importance of the Middle East oil in China's dependence on imported oil as well as its national energy security had already been prominent. In contrast to America's about 50% of oil imports from the Western Hemisphere, China's average dependence on the Middle-East oil reached 48.7% between 1998 and 2005, the proportion of China's oil imports from the Middle East remains in the range 45-55% of total oil imports², almost equaling that of the US oil imports from the Western Hemisphere. According to *BP Statistical Review of World Energy*, in 2007, China imported 4.11 million barrels of oil per day, out of which 1.58 million barrels per day were from the Middle East, accounting for over 38.4% of China's total oil imports.³

The Middle East ranks the first in terms of proven oil reserves, oil production and oil exports. In 2007 alone, proven reserves reached 755 billion barrels, making up 61% of the world's total of 1,237 billion barrels; oil production operated at 25.17 million barrels per day, accounting for 30.6% of the world's oil supplies; oil exports registered at 19.68 million barrels per day, filling up 35.8% of the world's total of 54.8 million barrels per day⁴. These figures firstly explain one of the reasons why China, Europe and Japan are heavily dependent on the Middle-East oil. Second, in comparison with America's advantageous oil supplies facilitated by its oil-rich

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² Philip Andrews-Speed, "China's Energy Role in the Middle East and Prospects for the Future," in *The New Energy Silk Road — The Growing Asia -Middle East Energy Nexus*, The NBR Conference Report, October 2009.

³ *BP Statistical Review of World Energy*, June 2008, pp. 8-20.

⁴ *Ibid.*, pp. 6-21.

neighboring countries, China is put in a disadvantageous situation considering its oil-poor neighboring and peripheral countries and regions. The Asia-Pacific is in general an oil-importing region, falling short of meeting China's ever-increasing oil demands. In the Western Hemisphere where America is geographically situated, proven oil reserves account for 23.9% of the world's total. Whereas in the Asia-Pacific where China geographically is, that figure is only less than 3%, plus 6.1% in Russia and Central Asia where energy resources are comparatively rich.⁵ The uneven distribution of resources gives rise to China's over-dependence on the Middle East oil and compels China to fortify its stronghold in the Middle East and even reach out to more far-flung regions like Africa. Third, China's long-term strategy based on its increasing demand for the Middle-East oil coincides with some Middle Eastern oil-producing countries' strategy of securing long-term and stable oil market for exports. The deepened energy cooperation is illustrated not only by the continued oil exports to China by countries like Saudi Arabia and Kuwait, but also by their direct investment in China's downstream and refining sectors. This classical relationship of "co-survival", though beneficial to the development of bilateral energy ties, renders China even more heavily dependent on the Middle East oil.⁶ Of the top ten oil exporters to China in 2004, Saudi Arabia, Iran, Oman and Yemen ranked the first, second, third and fourth respectively whose oil exports together accounted for nearly 50% of China's total oil imports. Of the seven biggest oil exporters to China in 2005 and the in the first half of 2006, the above-said countries played an equally important role in exporting oil to China.

Yet, the core of the issue lies in that China's over-dependence on the Middle Eastern oil is sure to remain so. According to projections by the US Energy Department, even if Sino-Russian and Sino-Central Asia energy cooperation could be carried out in a smooth way and oil pipelines connecting China with Russia and Central Asia could be completed as planned, in ten or twenty years to come, the amount of oil supplied to China by Russia and Central Asia is unlikely to exceed the level of 1 million barrels per day, accounting for only 9-17% of China's total oil imports⁷. Conservative estimates have it that taking into consideration the global energy distribution, production capacity, supply potential and import costs, most of China's oil imports, making up 50%-60% of its total, will have to come from the Middle East, and the Gulf region in particular. Whatever efforts China makes to diversify its import sources, China will have to remain dependent on the Middle

⁵ "Worldwide look at reserves and production", *Oil & Gas Journal*, Vol. 103, No. 47, Dec. 19, 2005, pp. 24-25.

⁶ Stephen P. Matthews, "China's new energy focus: strategic partnership with Saudi Arabia," in *Energy Security: Implications for US-China-Middle East Relations*, The James A. Baker III Institute for Public Policy, Rice University, July 18, 2005.

⁷ *EIA International Energy Outlook 2005*, pp. 150-160. And also see: US-China Economic and Security Review Commission (USCC), Hearing on "China's Role in the World: Is China a Responsible Stakeholder?" Testimony by Erica S. Downs, August 4, 2006.

East oil, Saudi oil, in particular.⁸ Despite aggressive diversification efforts, the Middle East would remain dominant in China's oil imports for the foreseeable future. Diversification would reduce China's reliance on the Middle East, but it does not mean the region no longer dominates China's oil imports, or it is hard to change the dominance of the Middle East in China's oil imports and national energy security⁹. So, over the past decade, while making aggressive diversification efforts, Beijing has been cultivating bilateral relationships with the Middle East oil-producing countries, the diplomatic, economic and energy relations between China and the countries of the Middle East have systematically deepened over the last decade.

II. Middle-East Oil and America's Energy Security

America imported about 2.3 million barrels per day from the Middle East in 2005, or 17% of America's total oil imports, out of which 1.52 million barrels per day were from Saudi Arabia, accounting for 66% of America's total oil imports from the Middle East. It is foreseen that America's oil imports from the Middle East will increase in the decades to come, reaching 3.5 million barrels per day in 2030, accounting for 18% of America's total oil imports of 19.8 million barrels per day.¹⁰

Statistical analyses show that the relationship between the Middle Eastern oil and America's energy security bears the following characteristics: First, the ratio of America's oil imports from the Middle East has been kept under 25% since 1973, with the highest being 24.5% in 1990 and the lowest 6.1% in 1985 and an average being under 20% between 1973 and 2005. Second, Saudi Arabia's role in supplying oil to America is unparalleled in that it was number-one oil supplier of America between 1973 and 2005. In 1995, Saudi oil accounted for 85% of all oil America imported from the Middle East, the highest level so far and in 1999 it declined to the lowest of 59.9%, which was still very remarkable. That is to say, between 1973 and 2005, the average proportion of Saudi oil in all of America's oil imports from the Middle East was no less than 70%. Third, since the Iran Islamic Revolution, oil trade between the United States and Iran has been zero or for 27 years the United States has not imported a single barrel of oil from Iran because of tense bilateral relations in the wake of the Islamic Revolution and the America's Iran-Libya Sanctions Act that followed¹¹.

Therefore, in contrast to around 50% of its oil dependence on the Western Hemisphere, America's dependence on the Middle-East oil is not as outstanding. In other words, the role of the Middle East oil in America's foreign oil strategy is,

⁸ Andrew W. Marshall etc., "The Sino-Saudi Energy Rapprochement: Implications for US National Security," *The Gracia Group*, January 8, 2002, p. 2.

⁹ Wu Zhong, "China aims to diversify oil sources," *Asia Times*, Feb. 28, 2007.

¹⁰ *EIA Monthly Energy Review*, August 2006, pp. 42-48.

¹¹ *EIA International Energy Outlook 2006*, p. 34, and see also *EIA Country Analysis Briefs: United States*, August 22, 2006, p.1.

as a matter of fact, not so important and America's dependence on the Middle East oil is only relatively serious. Then, why does America always make a point that the Middle East oil is of crucial significance to its energy security, treating it as its supreme national interest? President Bush once expressed that America has a problem, that is, it is addicted to oil, oil that more often than not comes from volatile regions. Therefore, United States needs to, by 2025, reduce America's dependence on the Middle East oil by 75%.¹² The question here is: since the dependence is not serious, why reduce it by 75%? It is clear that China is more heavily dependent on the Middle East oil than America and therefore has more of a reason to regard it as its key strategic security interest to ensure oil supplies from the Middle East. Washington does not seem to be in the position to be so concerned about China's pursuit of oil in the Middle East.

In the first place, over the past 20 years, America's international oil policy was built on the basis of ensuring the free flow to the international market of the Middle East oil, Gulf oil, in particular. According to Amy M. Jaffe that America's policy toward the Gulf oil is not simply aimed to maintain cheap oil price in the US, nor is it aimed to secure lucrative contracts for oil development in the region because these goals alone don't deserve America's long-term political and military interventions in the Middle East. On the contrary, America's real objective is to make sure the free flow of the Gulf oil can fuel the development of international trade and world economy, for which America, the global superpower, is responsible¹³. Nevertheless, despite of the fact that America's own economic development can be sufficiently fuelled by oil supplied from Canada, Mexico, the North Sea and Africa, it has to take into account the healthy global economic development and the heavy dependence on the Middle East oil of its allies like Europe and Japan. Gal Luft has this analogy that oil market is like a huge pool into which oil-producers inject oil and out of which oil consumers take away oil. As is known to all, crude price and supply are determined by the international market. Even though America does not import a barrel of oil from the Middle East, oil price hikes as a result of the stoppage of oil supplies from the Middle East will affect not only the energy security of Europe and Japan, but also the healthy development of world economy, America's included¹⁴. International energy crises triggered by disruption of oil supplies all took place in the Middle East respectively in 1967, 1973 and 1979. Since the 1973 crisis, America has suffered an economic loss of \$2.5 trillion and the seven Western industrialized nations have suffered a total loss of

¹² George W. Bush, "State of the Union address by the President," January 31, 2006, <http://www.whitehouse.gov/stateoftheunion/2006>.

¹³ Amy M. Jaffe, "Energy security: oil-geopolitical and strategic implications for China and the United States," in *Energy Security: Implications for U. S. - China--Middle East Relations*, The James A. Baker III Institute for Public Policy of Rice University, July 18, 2005, p. 1.

¹⁴ Gal Luft, "America's oil dependence and its implications for U. S. Middle East policy," Testimony before the Senate Foreign Relations Subcommittee, *On Near Eastern and South Asian Affairs*, October 20, 2005.

\$1.2 trillion in economic growth¹⁵. All these must be fresh in the memory of the policy-makers in Washington.

Second, at the moment, the Persian Gulf provides 25-30% of the world's oil supplies and the figures will go up to 36-43% by 2020 and 2030, indicating there will be more oil in this region for export. Saudi Arabia is the world's biggest oil producer and exporter holding most of the world's spare production capacity¹⁶. As a matter of fact, a sudden stoppage of Saudi oil supplies will be devastating to the global economy. Therefore, part of America's Middle East oil policy is to prevent any hostile states or cliques within these states from gaining control over the Gulf region so that they will not be able to use this control to rally forces or to blackmail the world community.¹⁷ This is also where America's interest lies.

Third, America's Middle East oil strategy puts Saudi Arabia in the spotlights. For long, the Saudi-US energy and security alliance serves as the strategic cornerstone for the overall Western energy security strategy. America is very much interested in Saudi Arabia's huge oil reserves, production capacity and spare capacity that together have a decisive influence on international oil supplies and oil price, as is show-cased by related historic events. Saudi-Arabia's spare production capacity is an energy force equivalent to nuclear weapons that deters those states from attempting to challenge Saudi leadership and objectives. It is the most important component of US-Saudi relations and America takes it as the foundation of its oil security policy.¹⁸ There's little doubt that Saudi Arabia keeps its oil policy mild to cater to America's energy security interest and foreign strategy. The counterbalancing role of Saudi diplomatic policy is to maintain oil price in a reasonable range so that it won't be as high as to do harm to the development of world economy and as low as to discourage the social and economic development of the oil-producing countries.¹⁹ Not only does the moderate Saudi oil policy have a paramount effect on the oil policy of countries like Kuwait and United Arab Emirates, it also functions to inhibit the hawkish oil producing countries like Iran and Venezuela. Historically, Saudi Arabia has been the major source country of America's oil imports from the Middle East. Despite the fact that America imports only 1.52 million barrels of oil per day from Saudi Arabia, or only 11.2% of its total oil imports and that the US-Saudi relations are not fully restored to the pre-9/11 level, Saudi Arabia's role in America's Middle East oil strategy is by no means weakened. On the contrary, in the foreseeable future, America's dependence on the Saudi oil will become greater.

¹⁵ Amy M. Jaffe, "Energy security: oil-geopolitical and strategic implications for China and the United States," p. 4.

¹⁶ IEA *World Energy Outlook 2004*, p. 106.

¹⁷ Amy M. Jaffe, "Energy Security: Oil-geopolitical and Strategic Implications for China and the United States," p. 2.

¹⁸ E. L. Morse and J. Richard, "The Battle for energy dominance," *Foreign Affairs*, March/ April 2002, p. 20.

¹⁹ *Ibid.*, p. 19.

III. The Middle East oil and the Sino-US relation

China's role in the Middle East affairs has developed from a disinterested "on-looker" prior to the 1980s to a mover of diplomatic ties and trade relations in labor, finished goods and a small number of arms in the 1980s and the early 1990s and further to an active seeker of closer bonds with the governments and oil companies in the Middle East. This profound transformation evidently is activated by energy²⁰. China does pay adequate attention to the possible negative influence of the Islamic extremist forces in the Middle East on the stability of China's North-West region, but it is not the core of China's Middle East policy. To put it in a simple way, China's increasing economic and political involvement in the Middle East is driven by its desires for better relationships with the world's major oil-exporting countries and for greater political stability in the Middle East, a region that supplies China with over 40% of its needed oil, or, China's involvement in the Middle East is motivated by economic interests, energy interest being the most important and Most of China's political maneuvers in the Middle East are driven by its increasing dependence on the oil of this region.²¹

On the one hand, China's Middle East policy and Arab countries' East-ward policy are induced by the classic relationship of "co-survival" and "a win-win game", as cited earlier in the paper. They are the logical outcomes of the development of the international energy market and energy economics, whether the United States wishes it or not; on the other hand, China's Middle East policy is shaped by China reviewing, readjusting and repositioning its strategic role in the Middle East, raising the Arab countries' status in China's overall foreign strategy and giving greater prominence to the strategic value of energy security. Whatever the motives and whether America wishes it or not, China's economic and political involvement in the Middle East is now a reality and it's going to deepen and develop. Therefore, it should be pointed out that China's increasing involvement in the Middle East is the result of geopolitical and economic development in the process of its pursuits of energy interest. It is absolutely not intended to weaken or challenge America's influence and control in an organized and planned manner. In the foreseeable future, China neither has such capacity, nor such ambition to challenge America's influence; on the contrary, Beijing remains and will have to rely upon Washington for its energy security interest in the Middle East.

However, undeniably, China's oil pursuits in the Middle East have led to tensions in Sino-US relations. The efforts China made to establish closer ties or "strategic oil partnerships" with the Middle Eastern oil-producing countries have complicated the Iranian nuclear issue and rendered it more difficult for America to

²⁰ Yitzhak Shichor, "China's economic relations with the Middle East: new dimensions," *China Report*, Vol. 34, No. 3-4, 1998, pp. 419-439.

²¹ Philip Andrews-Speed, "Searching for Energy Security: the Political Ramifications of China's International Energy Policy," *China Environment Series*, Issue 5, pp. 24-25.

isolate Iran. The scale of China's investment in Iran's oil and gas sector has broken the limits set by the America's Iran-Libya Sanctions Act and for this America claims it will impose sanctions against China. Washington's unilateral sanctions against Iran have not only jeopardized trade and investment interests of China and some European countries in Iran's energy sector. They also have kept American companies out of Iran, which makes it easier for Chinese companies to fill the vacancy. It is obvious that in this process, America's endeavor to isolate Iran and to force Iran to abandon its nuclear program is being weakened by China's pursuits of energy interest in this region. Some experts say that China's involvement in the Middle East is at least theoretically providing strategic support for Iran to evade engagement with the West and to confidently challenge the West's interests.²² Iran is happy to see the political and strategic advantages brought about by fostering closer ties with China because Iran believes China's permanent membership at the UN Security Council may grant it with necessary international political protection. Evidently, Iran is well aware that China is being made more and more dependent on Iran due to China's increasing demand for oil and its huge market potential. Therefore, in order to develop closer political ties with China, Iran is eager to treat China with payment premium just as China is eager to obtain oil and gas from Iran.²³

China's energy relationship with Saudi Arabia may to some extent affect the strategic alliance and cooperation between Saudi Arabia and the United States. Tensions in bilateral relations have persisted since the 9/11 terrorist attacks in America and America's extended anti-terror campaign in the Middle East, together with its program for the Greater Middle East Democracy, making Saudi Arabia and other monarchies uneasy. The top leadership of Saudi Arabia, including the king, is disappointed with the Bush Administration's failure to explicitly express its determination to defend US-Saudi relations and with the deficiencies in America's Middle-East policy during Bush's first presidency. The special US-Saudi relations are no longer special as before. Although the visit to America by the king of Saudi Arabia in 2005 improved US-Saudi relations, the Saudi dissatisfaction with America continues. In September 2005, the Saudi Foreign Minister openly criticized America for its Iraqi policy that had thrown the country to the brinks of a civil war²⁴. Riyadh is deeply worried that if Saudi nationals once again get involved in terrorist attacks on American or Western targets, America will have to choose to terminate its long-term protection and security commitments for the Saudi monarch. It is this fear that might lead Saudi Arabia to believe that it is not a good idea to put political and security stakes only on America and the

²² Flynt Leverett and Jeffrey Bader, "Managing China-U. S. energy competition in the Middle East," *The Washington Quarterly*, Winter 2005-06, pp. 55-66.p. 196.

²³ *Ibid.*, p. 194.

²⁴ Flynt Leverett, "Reengaging Riyadh," in Flynt Leverett, ed., *The Road Ahead: Middle East Policy in the Bush Administration's Second Term* (Washington, DC: Brookings Institution, 2005), pp. 96-100.

diversification of its political and security guarantees ought to be a better choice. Therefore, China must be the suitable and the most possible candidate for such a new partner²⁵. Besides, in order to develop oil markets and ensure national energy security, Saudi Arabia also wishes to diversify its oil exports and the Chinese market with its huge potential naturally is Saudi Arabia's most ideal and safest target. Toward this end, the Saudi leadership is seeking to develop a more viable strategic relationship with China to hedge America, because China is able to provide the Saudi oil wealth with a protection umbrella and eventually, one day, China will replace America and Japan to become Saudi Arabia's biggest energy trade partner. This is nothing but a market reality.²⁶ In addition, just like Iran, Saudi Arabia also calculates that closer ties with China might encourage China to expand its sales of advanced weapons and related technologies as it did in the last century²⁷.

China's search for oil interest in the Middle East is welcomed by countries like Saudi Arabia and Iran and this imperceptibly sharpens competition between China and America for influence in this region. Since the collapse of the former Soviet Union, for fear that America's uni-polar influence in the Middle East might harm the interests of the Arab world, the Arab world has been looking for a counterbalancing power against the American influence. China's rapid peaceful rise seems to bring hope to the some Arabs. Since 9/11, amidst oil struggles, Arab-Israeli conflicts and democratization in the Middle East, some Arab World's desire for China to be a counterbalancing power against America in the Middle East becomes even stronger. Of course, the Arab World knows that China's major interest in the Middle East lies with the energy resources but the Arabs also know that China's search for oil will come alongside better friendly ties and effective diplomatic assistance. At the same time, the Arabs are aware that China is dissatisfied with America's ever-growing presence in the Middle East and China and America are differently posed toward the Arab World. In a word, in the eyes of some Arabs, China's role in the Middle East might be beyond energy itself. Though there is no evidence showing that China is seeking a sort of policy of counterbalance America in the Middle East, China's influence in the Arab World is growing and China is more assertive on Middle East affairs. All overnight, China seems to pose for competition for influence in the Middle East with America²⁸.

China's ever-deepening involvement in Middle East affairs for the sake of its energy security may also pose effect upon the American interests in the region. Historically, the Middle East has been the center stage for big powers to maneuver

²⁵ Gal Luft, "America's oil dependence and its implications for U. S. Middle East policy."

²⁶ Frank A. Verrastro, James A. Plack and Alan S. Herburg, "Securing U. S. energy in a changing world," *Middle East Policy*, Winter 2004, pp.15-26.

²⁷ Flynt Leverett and Jeffrey Bader, "Managing China-U. S. energy competition in the Middle East," p. 195.

²⁸ Mamoun Fandy, "China vs. US: a view from the Arab World," in *Energy Security: Implications for U. S. -China-Middle East Relations*, The James A. Baker III Institute For Public Policy of Rice University, July 18, 2005, p. 1.

for influence and it was even more so for the United States and the former Soviet Union during the Cold War era. For more than a decade after the demise of the Soviet Union, America enjoyed the hegemony without competition in a Middle East without poles. In the years to come, China is sure to be more tightly bound to the Middle East because of energy and energy is sure to render the two sides more dependent on each other. The Middle Eastern oil will be increasingly diverted to the Chinese and other Asian markets, by 2015 supplying 70% of Asia's consumption and 50-60% of China's demand. China will inevitably become the most important market for Saudi Arabia and Iran and for Kuwait and Iraq as well. As energy brings China and the Middle East closer together, China's interest in the Middle East will definitely grow and its influence in the Middle East will grow accordingly, forcing the United States to readjust its related policy.

IV. China's Energy Interest, Global Commitments and Policies

Both China and America face huge risks in the Middle East. The Iranian nuclear crisis is only the first test of China's wisdom in ensuring its energy security. The volatile Gulf region is now undergoing economic, political and social transformation and constant civil clashes and frequent conflicts stand ready to disrupt energy supplies²⁹. In short and medium terms, China will have to remain dependent on the Middle East oil to fill up its consumption margin and therefore, its economic security will be determined partly by the political stability in this region. That is the biggest risk China faces concerning its energy and economic security. From the Chinese perspective, this region is first of all defined as internal instability³⁰ and therefore the increasing importance of the Gulf region to China's energy security will be accompanied by increasing concern of the Chinese leadership over the political and security development in this volatile region.³¹ It is safe to conclude that as China's dependence on the Middle East oil becomes greater, China's Middle East policy will be more of one that takes the political stability in the Middle East as its foremost concern. Therefore, to a considerable extent, China and America face similar risks in the Middle East in scope and depth.

Over the Darfur crisis and the Iranian nuclear crisis, China came under sharp criticisms by the US, the EU and a number of international organizations and non-governmental organizations. They called on China and even "urged" China to exercise its influence on the Sudanese government to bring the humanitarian crisis in Darfur to a halt. Such an urge was apparently based on the judgment that China had an influence on Sudan. To cope with this, China made its stance clear that the

²⁹ Lei Wu, "China-Arab Energy Cooperation: the Strategic Importance of Institutionalization," *MEES*, No. 3, Jan. 16, 2006, pp. 28-31.

³⁰ Christian Constantin, "Chinas' Concept of Energy Security: Sources and International Impacts," *Working Paper*, No. 43, March 2005, p. 30.

³¹ Guang Yang, "China's Stabilizing Role," in Hohn Calabrese (ed.), *Gulf-Asia Energy Security* (Washington DC: The Middle East Institute, 1998), pp. 39-46.

Darfur issue was an internal affair of Sudan and, following the principle of “no-interference of a nation’s internal affairs,” China decided not to interfere in Darfur and it opposed any interference in Darfur by any country. Admittedly, China’s stance did much harm to its international image and was not helpful to expanded China-Africa energy cooperation. This was evidenced when some Hollywood movie stars and directors later joined in damaging China’s international image.³²

To be fair, China was wronged when said to have done nothing about the Darfur issue. In fact, China has been fine-tuning its related policies. In August 2006, China joined in the persuasion of Sudan to allow UN peace keepers to be stationed in Darfur under a UNSC resolution calling for deployment of UN peace keepers in Darfur to join hands with Africa Union (AU) peace keepers already deployed there. In November of the same year, Chinese President Hu Jintao delivered a message to visiting Sudanese leader that the Darfur conflict had reached a “critical point” and he called on the Sudanese government to engage dialogues with all parties concerned and honor the UN resolution by allowing the UN-AU peace-keeping troops to be deployed in Darfur.³³ In June 2007, during his visit to Sudan, President Hu put forward four principles governing a final settlement of the Darfur issue. News reports say that in persuading Sudan to accept the UN resolution and to allow the UN-AU peace keepers into Darfur, China used the most direct language and extraordinary wisdom, displaying the critical role China has been playing in the Darfur issue³⁴ and that China’s efforts were very much appreciated by Washington, London and the UN.³⁵ The above-cited moves demonstrate that China did make a difference from its previous stances and practices, being more responsive to the calls and appeals from the international community. As a matter of fact, China’s fine-tuned policy toward Darfur really had a positive effect on stabilizing the Darfur situation. Western politicians should have realized that without China’s active participation and policy readjustment, the Darfur crisis could have gone even worse.

Then, what’s behind the changes in China’s Middle East and Africa policy? As in the cases of Iran and Myanmar, the readjustment of China’s stance on Sudan was clearly driven by the realization that China’s traditional principles ran counter to its present-day interest, or at least partially so. The context in which China exercised its diplomacy has changed. This new context is defined externally by the loosening and pooling of national sovereignty, the emergence of trans-border or global problems like energy, environmental protection and anti-terror, the deepening of mutual dependence and the strengthening of collective security

³² R. Scott Greathead, “Moving China on Darfur,” *The Wall Street Journal*, November 6, 2007.

³³ Gillian Wong, “China’s Hu Discusses Darfur Crisis with Sudanese President,” *Associated Press*, November 2, 2006.

³⁴ “Roundup: China’s Special Envoy Visits Sudan’s Darfur,” *Xinhua News Agency*, May 23, 2007.

³⁵ Erica S. Downs, “The Fact and Fiction of Sino-African Energy Relations,” *China Security*, Vol.3, No.3, 2007, p.60.

awareness and internally by the rise of a nation's status, the increasing of a nation's capabilities, the re-positioning of a nation's profile, the adjustment of nation's interest pursuits and the reformulation of nation's diplomatic conceptualization and foreign policy. As a result, in this new context, there is little wonder that China's traditional principle of "non-interference of other countries' internal affairs" is somewhat losing its ground, attesting to the necessity and urgency for China to fine-tune some of its outdated principles and policies.

Readjusting the principle of "non-interference in other countries internal affairs" will hopefully bring three-fold benefits to China. First, it helps China to redefine its diplomatic conceptions for the good of its peaceful development. Policies that keep pace with changing situations will guide China in redefining its status as a world power and in rearranging the order of interest pursuits. They will allow China to act as a more active and responsible stakeholder on the international scene, making contributions to the emergence of a harmonious world while building up its international influence and reaping the gains it deserves. In countries where China has fundamental interests, appropriate involvement in their affairs are necessary and fair and this does not have to be covered up, either. Secondly, readjustment of related principles and policies will make China's diplomacy more flexible and more operational, giving it more space to maneuver in. With China's international status and influence rising substantially and rapidly, on the one hand, its national interest is getting more internationalized and its international interest more multiplied but on the other hand, as the West is cautious about China's rise, taking every opportunity possible to damage China's international image and thwart China's diplomatic efforts, China has to be more careful of any policy change. Ostensibly, under this circumstance, for China to stick to the "non-interference" principle and always choose to be on the defense does not work well to deflect possible crises and to maximize its national interest. Lastly, by offering to adjust outdated principles and policies in a timely manner, China will be able to have seized the commanding heights to offset international pressures and leave the West few excuses to take advantage of against China when crises occur in the future.

However, it must be borne in mind that while adjustment is necessary, it may produce some adverse effects. First, China's total abandonment of the rigid principle of "non-interference" will distort its international image as a "moral model", a model that was nurtured with the five principles of peaceful co-existence advocated by China per se. Second, some countries, neighboring countries in particular, will have a reason to worry about China's possible interference in their internal affairs, which is not helpful to the implementation of China's diplomatic guideline of being good to the neighbors and making friends with the neighbors in the process of peaceful rise. Third, the adjustment may in the future be used to justify the West's interference in China's own internal affairs.

The adjustment of existing principles and policies is necessary as well as costly.

With this point in view, China is well-advised not to make fundamental changes to the critical mass of the “non-interference” principle, but only to some of its aspects to make them applicable and adaptable to the changing situations at the moment. Adjusting in a measured and partial manner and at a slow and steady pace is fine-tuning as opposed to total abandonment and partial abandonment, the two types of adjustment different in magnitude. Obviously, total abandonment is the complete denial and betrayal of old traditions and, given the current internal and external restrictive factors, it is not the right way of making an adjustment. Therefore, fine-tuning is what is left for the adjustment of the “non-interference” principle. To be specific, while still adhering to the basic meaning of the “non-interference” principle, China may impose some pre-conditions on it, citing that “non-interference” applies and works only when the involved internal affairs are not in violation of the UN charter and international law or that the internal affairs are not posing a threat to regional and global peace and stability, etc. In doing so, China will still have to take the feelings of the developing countries into consideration and make necessary explanations to them about this change in China’s diplomatic conceptions. Of course, before the actual implementation of the adjusted principle, publicity is needed to seek the understanding and accommodation of the target countries. This can be done through multilateral mechanisms, UN diplomacy, behind-the-scene diplomacy and public diplomacy.

The changes in China’s energy-related policies may well serve as a preference to the issues discussed afore. Energy security is by nature a global issue. Given this, China should be well positioned to seek solutions to the problems arising from regional and global energy cooperation. Also, it should work together with the international community to properly address the Darfur crisis and the Iranian nuclear issue, with an aim to maintaining regional and global peace and stability and creating a good environment for energy market to develop in.³⁶ Regarding China’s energy security and the prospects for China-Middle East and China-Africa energy cooperation, necessary adjustment of China’s energy policy toward Middle East and Africa should really be made. In fact, in July 2006, when President Hu was in Moscow attending the G-8 summit, he proposed a “new energy security conception”, stressing the importance of a good political environment and stability in oil producing regions to the insurance of energy security. This shows that China’s thinking on energy security is getting more mature and accommodative and that China’s adjustment of its energy security policy is the right thing to do. In addition, the delicate change in China’s stance on Sudan and Iran over the years may provide some support to issues discussed in the preceding parts of the paper.

³⁶ Lei Wu and Qinyu Shen, “Will China Go to War Over Oil?” *Far Eastern Economic Review*, Vol.169, No.3, 2006, pp.38-40.