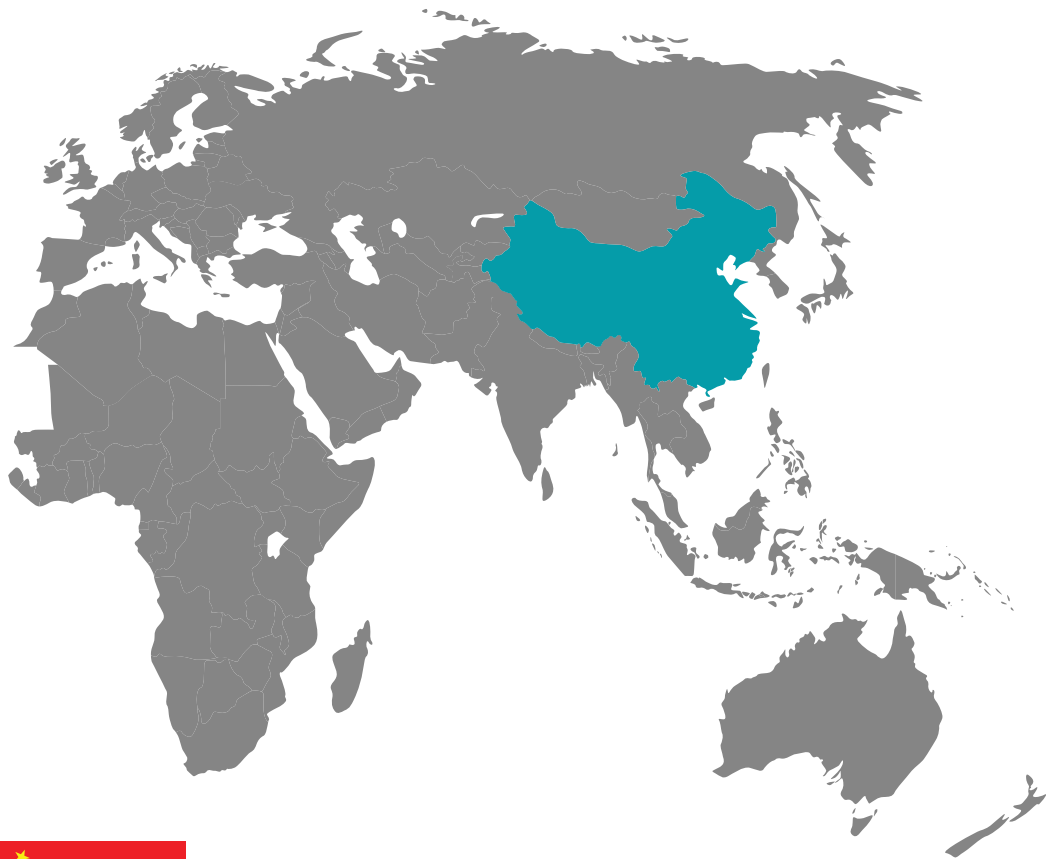




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China - GCC Relations

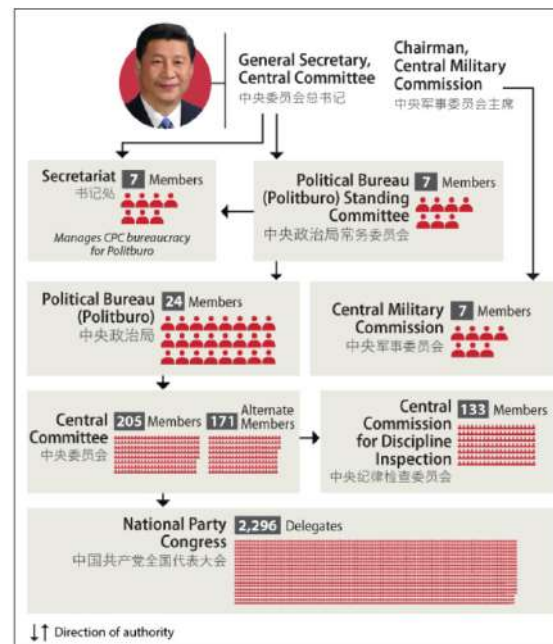


Key Domestic Developments

China's international behavior is driven chiefly by domestic factors. In the past two decades, China has emerged as a major power, with one of the world's largest economies and an increasingly capable and advanced military. This has allowed Beijing to increasingly assert itself in an effort to regain its centrality in the international system.

The Chinese Communist Party (CCP) is China's dominant political institution. President Xi Jinping leads the CCP and has served since 2012 as its General Secretary and Chairman of the Central Military Commission, which oversees the Party's armed wing, the People's Liberation Army (PLA). The CCP has led China for 74 years, since 1949, and now has 98 million members, nearly 7% of China's population. The Party's highest institution is the Central Committee, led by the General Secretary and composed of a 24-person Political Bureau (Politburo) and a 7-man Politburo Standing Committee. President Xi has augmented his own authority and systematically centralized decision-making power across all policy areas, preserving and enhancing the CCP's capacity to dominate policy-making and expanding his own authority to drive China's policy agenda. With this top-down strategy, the Party hopes to unite the country and the government and fulfill President Xi's ambitions of strengthening China's supremacy. President Xi seeks to strengthen central control over economic decision-making and argues that only he and the Party can lead China toward a more ambitious and nationalistic set of modernization goals. In order to enable a united and centrally controlled strategy to handle global dangers and accomplish national goals, President Xi has also reorganized the foreign policy decision-making infrastructure.

China's Political System



(Photo Source: [Congressional Research Service](#), 2024)



China's Evolving Industries are Redefining its Long-term Growth Strategy

China is shifting from rapid GDP growth to prioritizing advanced technology and manufacturing to enhance the quality and sustainability of its development. This marks a transition from reliance on real estate and export-driven growth toward fostering innovation and higher-value industries. Overall, China is faced with a number of structural challenges including high debt levels, a real estate slump, youth unemployment, supply chain disruptions, an aging population, and local government debt.

While China's economy grew 5% in 2024, meeting its target, many citizens report worsening living standards as industrial gains fail to benefit consumers. Structural issues could worsen in 2025, with China relying on more debt to counter expected U.S. tariff hikes under President Trump. Already foreign investment inflows into China shrank by 27.9% year-on-year to CNY 749.7 billion in the first eleven months of 2024. Higher tariffs may hit exporters harder than during Trump's first term, driving production overseas, squeezing profits, and hurting jobs and private investment given the fact that the structural challenges listed above remain more persistent than in 2018.

At the same time, China's economic story is one of transformation, not decline. The country is focusing on producing high-quality goods and services, advancing in key sectors like advanced technology, manufacturing, and financial services. Already a global leader in critical materials and high-tech industries, China's continued shift to an innovation-driven economy could solidify its role as a global economic powerhouse. IMF projections highlight China's potential to contribute more to global GDP growth over the next five years than any other economy, even exceeding the combined output of G7 nations. Successful reforms could further boost growth, with the real economy potentially expanding by 20%—adding \$3.5 trillion over the next 15 years.

A key indicator of China's transformation is the rise of its “new export trio”—electric vehicles, lithium batteries, and photovoltaic modules—reflecting its industrial upgrade and growing edge in advanced manufacturing.

Key Economic and Social Data

- GDP: \$18.533 trillion (2024)
- GDP per capita: \$13,136 (2024)
- Annual Growth Rate: 5.4% (2024)
- Inflation: 0.1% (December 2024)
- Population: 1,425,131,456 (2024)
- Unemployment Rate: 5.1% (2024)
- Credit Rating: A1, several notches below the top level of Aaa, but still in the middle of what the agency considers “investment grade” debt

China's Foreign Policy

China's Five Principles of Peaceful Coexistence guide its foreign policy, emphasizing sovereignty, non-aggression, non-interference, equality, and peaceful coexistence. Domestically, the Chinese Communist Party (CCP) seeks to protect its legitimacy, with “core interests” broadly defined to encompass perceived existential threats.

China aims to strengthen its military, achieve technological dominance, and expand markets through the Belt and Road Initiative (BRI), focusing on reducing reliance on U.S. influence. Beijing also prioritizes alliances with developing nations, positioning itself as a leader of the “rising rest” against Western dominance and pushing to reform global governance to reflect its values and shield its sovereignty.

In the Middle East, China's policy emphasizes diplomacy to enhance stability, crucial for its energy needs and BRI investments. While not seeking to replace the U.S., Beijing's growing engagement aligns with Gulf states' interest in involving China in regional stability and security.

China has increasingly focused on expanding

its regional influence, leveraging both economic partnerships and diplomatic initiatives to secure its interests in Asia and beyond. One of the significant areas of tension has been the issue of Taiwan, where China's assertive stance has raised concerns about the potential for a conflict with the United States and its allies. Beijing views Taiwan as a critical component of its territorial integrity and has made clear its intentions to unify the island with the mainland, by force if necessary. This growing tension in the Taiwan Strait could trigger a broader confrontation, drawing the U.S. and Western nations into a military or economic standoff. The implications of such a conflict would not only destabilize the region but also reverberate globally, disrupting supply chains, shifting alliances, and reshaping international trade dynamics.

Key Foreign Policy Initiatives

- One Belt, One Road Initiative (BRI). This ambitious strategy aims at developing two new trade routes connecting China with the rest of the world. China views the BRI as vitally important in securing its borders on the Asian mainland.
- Asian Infrastructure Investment Bank (AIIB). The AIIB is a multilateral development bank that provides financing for infrastructure projects in Asia. Its mission is to improve social and economic outcomes in its region, Asia, and beyond.
- New Asian Security Concept (NASC). A plan for a new regional security architecture not based on any formal alliance system, but rather bringing together a tighter network of existing organizations and entities and bending them toward China's desired strategic goal.
- New Type of Great Power Relations (NTGPR). This initiative was designed to create a strategic space in which Beijing's foreign policy can operate in order to build up cooperative partnership.
- 2+7 Cooperation Framework for China-Southeast Asia Relations. The proposed cooperation framework represents two political consensus and seven areas of cooperation between China and the ASEAN. It is part of China's new vision for enhancing the relationship with ASEAN.
- Dual Track Approach in the South China Sea. This proposal was initiated by Brunei and advocated by China, involved in focusing on specific disputes to be peacefully resolved through consultation by parties directly concerned, and stability in the South China Sea to be jointly maintained by China and the ASEAN.
- Community of Common Destiny in relation to the South China Sea region. This initiative was intended to focus on the broader relevance of China's policy to global affairs, pointing to the need for interconnectedness and mutual development among nations, and for cooperative security.



Photo Source: [Ministry of Foreign Affairs of the People's Republic of China](#) (2016)



China Trade in Goods with GCC Countries (USD billions) 2023

Source: UNCOMTRADE

Countries	Export (USD Billion)	Import (USD Billion)	Balance of Trade (USD Billion)
Bahrain	1.55	0.19	1.74
Kuwait	5.23	17.16	22.39
Oman	3.81	31.33	35.14
Qatar	3.65	20.88	24.53
Saudi Arabia	43.00	64.33	107.33
United Arab Emirates	55.81	39.25	95.06
Total	113.05	173.14	286.20

Establishment of Diplomatic Relationships:

- Saudi Arabia (1990), Kuwait (1971), United Arab Emirates (1984), Bahrain (1989), Oman (1978), and Qatar (1988).

Key Research Centers and Think Tanks

- *Center for China and Globalization (CCG)*: <http://en.ccg.org.cn/>
- *Shanghai Institute for International Studies*: https://www.sius.org.cn/en/index_en.jhtml
- *Beijing Foreign Studies University (BFSU)*: <https://en.bfsu.edu.cn/>
- *Chinese Development Institute (CDI)*: <https://en.cdi.org.cn/>
- *Chinese Academy of Social Sciences*: <https://casseng.cssn.cn/>
- *China Institute of International Studies (CIIS)*: <https://www.ciis.org.cn/english/>
- *China Institutes of Contemporary International*

Relations: <http://www.cicir.ac.cn/NEW/en-us/index.html>

- *Chinese Academy of Social Sciences (CASS)*: <http://www.cssn.cn/>
- *Development Research Centre of the State Council of the People's Republic of China*: <https://en.drc.gov.cn/>

Selected Key Regional Experts

- Dr. Sarah Almutairi, Political Science Department, Kuwait University
- Mohammed Al Hajri, Ph.D. Researcher, Birbeck, University of London
- Mohammed Turki Al-Sudairi, Research Fellow, King Faisal Center for Research and Islamic Studies,
- Jonathan David Fulton, Assistant Professor of Political Science, Zayed University, UAE
- Degang Sun, Professor and Deputy Director, Middle East Studies Institute, Shanghai International Studies University
- Tim Niblock, Chair Professor in the Institute for International and Area Studies at Tsinghua University, and Emeritus Professor of Middle Eastern Politics at the University of Exeter
- Jin Liangxiang, Senior Research Fellow Center for West Asian & African Studies Institute for International Strategic and Security Studies
- Li Weijian, Senior Research Fellow Institute for Foreign Policy Studies Center for West Asian & African Studies
- Gafar K. Ahmed, Member of the Institute of Arab-Islamic Culture Studies, Peking University,
- Chen Lijun, Professor and Director, Institute for South Asian Studies, Yunnan Academy of Social Sciences
- Wang Tingyi, Assistant Professor, Tsinghua University
- Wu Bingbing, Director of the Center for Middle East Studies, Peking University

Key Recent Literature

- [China's Year in Review](#)
- [What FOCAC 2024 Reveals About the Future of China-Africa Relations](#)
- [Chinese Foreign Policy Toward the Middle East](#)
- [China's International Communication and Relationship Building](#)
- [Chinese Regionalism in Asia - Beyond the Belt and Road Initiative](#)
- [The Geopolitics of China's Belt and Road Initiative](#)
- [Security of the China-Pakistan Economic Corridor \(CPEC\)](#)
- [Chinese Grand Strategy in the 21st Century - According to Plan?](#)
- [Discourse, Rhetoric and Shifting Political Behaviour in China](#)
- [China's Carbon-Energy Policy and Asia's Energy Transition](#)

Key Developments in China-GCC Relations

- On September 11, 2024, Chinese Premier Li Qiang met with Secretary General of the Gulf Cooperation Council (GCC) H.E. Jasem Mohamed Albudaiwi in Riyadh, Saudi Arabia. Chinese Premier Li Qiang called on China and the GCC countries to strengthen the alignment of their development strategies and speed up the free trade agreement negotiations process. Li urged both parties to strengthen their collaboration in energy, investment, innovation, science and technology, as well as people-to-people exchanges. He also emphasized the importance of expanding partnerships in information and communications, the digital economy, and green development to jointly create new drivers for mutual growth.

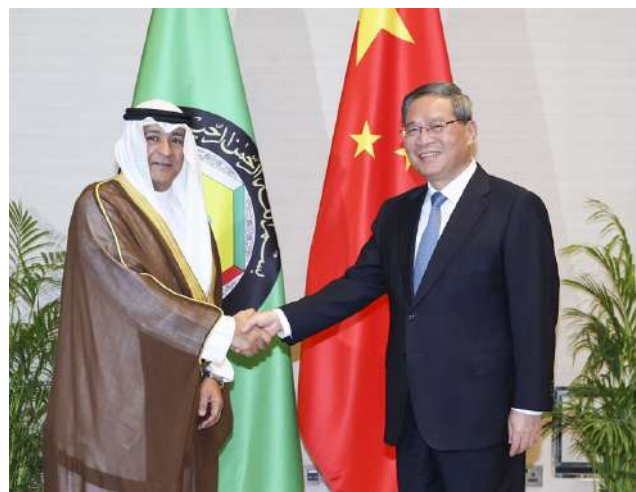
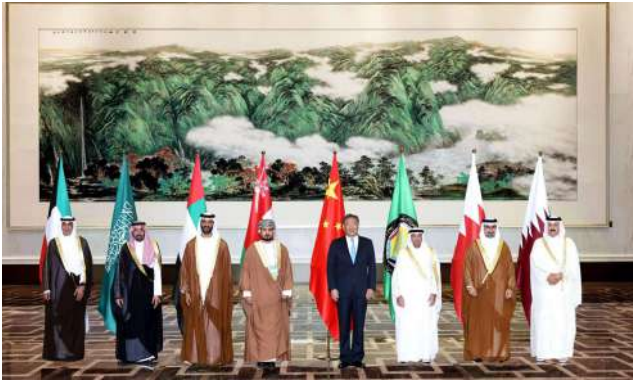


Photo Source: [State Council of the People's Republic of China](#) (2024)

- *On October 22, 2023, the China-GCC Economic and Trade Ministers' Meeting was held in Guangzhou. H.E. Mr. Wang Wenbo, Minister of Commerce, H.E. Mr. Jasem Albudaiwi, GCC Secretary-General, and heads of economic and trade departments of the GCC countries attended and addressed the meeting. Mr. Li Fei, Vice-Minister of Commerce, led the delegation from the Chinese side.*
- *Focusing on the implementation of the economic and trade measures of the first China-Gulf Cooperation Council (GCC) Summit, the meeting formed a consensus on issues such as jointly safeguarding the multilateral trading system, promoting two-way investment, deepening cooperation in industrial and supply chains, improving the level of connectivity, and promoting energy transformation, and it adopted the Joint Statement of Economic and Trade Ministers of People's Republic of China and Member States of the Gulf Cooperation Council on Deepening Economic and Trade Cooperation.*



(Photo Source: [Ministry of Commerce People's Republic of China](#), 2023)

Overall, the GCC and China have increased their effort to expand their relations as evidenced by the visit of Chinese Premier Li Qiang to Riyadh in September 2024 and the first China-Arab States Summit and the China-Gulf Cooperation Council (GCC) Summit held in 2023. The more immediate goal is to reach an agreement on the China-GCC free trade deal. A notable and consistent expansion in diplomatic ties toward increased cooperation and mutual understanding is also being witnessed at the bilateral level.

China-Bahrain

- In December 2024, Special Envoy Zhai Jun of the Chinese Government on the Middle East Issue met with Bahraini Foreign Minister Abdullatif bin Rashid Al Zayani on the sidelines of the 20th Manama Dialogue in Bahrain, where they had an exchange of views on bilateral relations and the situation in the Middle East. During this meeting it was discussed how Bahrain is ready to continue deepening friendly cooperation with China in various fields and push the Bahrain-China comprehensive strategic partnership to a higher level.

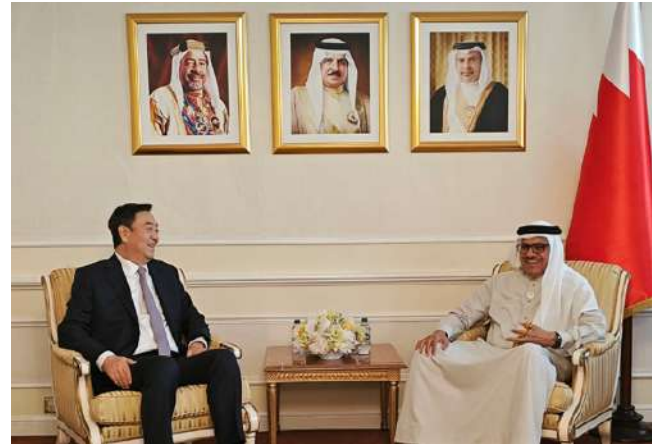
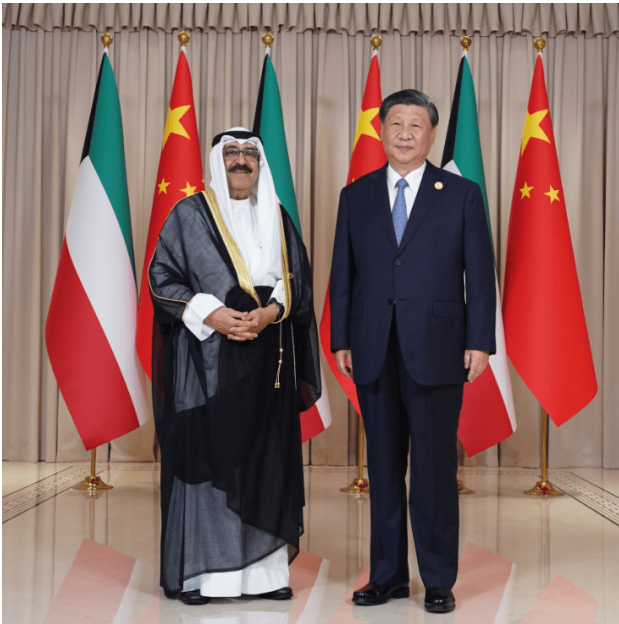


Photo Source: [Ministry of Foreign Affairs The People's Republic of China](#) (2024)

- In May 2024, Chinese President Xi Jinping and Bahrain's King Hamad bin Isa Al Khalifa met in Beijing to implement a comprehensive strategic partnership, enhancing bilateral relations. This year marked the 35th anniversary of the establishment of diplomatic ties between the countries. President Xi affirmed China's support for Bahrain's 2030 Economic Vision and its diversified development strategy. Moreover, in alignment with the Belt and Road Initiative, China demonstrated willingness to tighten cooperation with Bahrain in fields of energy, investment, infrastructure, and digital economy in order to achieve more outcomes.

China-Kuwait

- In May 2024, Kuwait re-engaged with China to re-establish the Gulf Port Project. This initiation aimed for Kuwait to act as a primary trading hub for the northern end of the Gulf.
- In September 2023, a Memorandum of Understanding was signed by Kuwait and China during His Highness the Crown Prince Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah's visit to China. The State of Kuwait and China signed seven MoUs in a ceremony attended by His Highness the Crown Prince and Chinese President Xi Jinping. The two leaders agreed to further cement relations and cooperation at higher levels; which included signing a cooperation plan for the years 2024-2028.



(Photo Source: [Arab Times Kuwait](#), 2023)

China-Oman

- In December 2024, His Excellency Mr. Lyu Jian, the new Chinese Ambassador to Oman, arrived in Muscat to assume his post. Representatives of the Omani Government and major officials of the Chinese Embassy met with him.
- In May 2024, a diplomatic mission from Oman's General Authority for Special Economic Zones and Free Zones, led by the Vice Chairman, Engineer Ahmed bin Hassan Al Dheeb and attended by Oman's Ambassador to China, Nasser Mohammed Albusaidi, met with Chinese business experts operating in the green, iron, technology and chemicals industries in Beijing. This meeting took place to discuss investment opportunities.



Photo Source: [Embassy of the People's Republic of China to the Sultanate of Oman](#) (2024)

China-Qatar

- In September 2024, HE Secretary-General of the Ministry of Foreign Affairs Dr. Ahmed bin Hassan Al Hammadi met with HE Vice Minister of the International Department of the Central Committee of the Communist Party of China (CPC) Li Mingxiang who visited Doha.
- As of June 4, 2024, talks surrounding the sovereign wealth fund of Qatar led to an agreement to buy a 10% stake in China's second-largest mutual fund company, China Asset Management Co (ChinaAMC), as Beijing's ties with the Middle East increase amidst growing tensions with the West. The aim is to deepen and maintain political, economic, and financial partnerships between the two sides. If approved, the Qatar Investment Authority (QIA) would be the third-largest shareholder in ChinaAMC, which manages over \$248 billion of assets, as well as provides mutual and exchange-traded funds to retail and institutional investors.
- In May 2024, it was found that Chinese companies looked to Qatar as an entry point to the Middle East as an alternative to the West. According to the head of the Qatar Science and Technology Park, this would mean Doha will be the first stop for various Chinese businesses as they seek Middle Eastern or

African markets. This move indicates stronger corporate ties between the two sides as China steers away from Western markets and closer to emerging regions.



Photo Source: [Qatari Ministry of Foreign Affairs](#) (2024)

China-Saudi Arabia

- In January 2025, China's Ambassador to Saudi Arabia, Chang Hua, met with Saudi Minister of Hajj and Umrah, Dr. Tawfiq bin Fawzan Al-Rabiah. Ambassador Chang highlighted China's policy on religion and the status of Chinese Muslims. He expressed gratitude for the Ministry's support in facilitating the China Islamic Association's Hajj arrangements and requested enhanced services and security measures to ensure a smooth and safe Hajj experience for Chinese pilgrims.
- In September 2024, Crown Prince Mohammed bin Salman received China's Premier Li Qiang at the Royal Court in Riyadh. They co-chaired the Fourth High-Level Saudi-Chinese Joint Committee, focusing on cooperation in politics, security, trade, energy, investment, culture, and technology. They also discussed regional and global developments. The meeting concluded with the signing of the committee's official minutes.



Photo Source: [SPA](#) (2024)

- In August 2024, Saudi Arabia's Public Investment Fund (PIF) signed a \$50 billion Memorandum of Understanding with six major Chinese financial institutions, including ABC, BOC, CCB, SINOSURE, CEXIM, and ICBC. The agreement aims to strengthen financial and business ties, encouraging two-way capital flows through debt and equity. This deal, representing 1.5 times China's total FDI inflow, aligns with PIF's global partnership initiatives.
- Between May 20-22, 2024, in Beijing, Saudi Finance Minister Mohammed Aljadaan and his Chinese counterpart, Lan Fo'an, concluded discussions on strengthening cooperation in artificial intelligence, renewable energy, and smart cities. Minister Aljadaan highlighted the economic transformation and growth potential these areas bring to the Kingdom. The meetings also addressed macroeconomic conditions, related policies, and bilateral and multilateral cooperation. On the sidelines, Minister Aljadaan engaged with Chinese experts, including ministers and investors, to explore shared interests in economic and financial developments, aligning Chinese initiatives like the Belt and Road Initiative with Saudi Arabia's Vision 2030.

China-United Arab Emirates

- In September 2024, Chinese Premier Li Qiang arrived for an official visit to the United Arab Emirates (UAE) at the invitation of the UAE's Vice President and Prime Minister Sheikh Mohammed bin Rashid Al Maktoum. The visit was guided by the important consensus reached by the two heads of state and highlighted the 40th anniversary of the diplomatic ties between the two countries.



Photo Source: [The State Council The People's Republic of China](#) (2024)

- In July 2024, the nations agreed to increase bilateral air traffic rights after years of static travel growth. Flights have been capped at 56 services per week for each country, a decision that would boost trade and tourism between both countries.
- On May 30, 2024, UAE President Sheikh Mohamed bin Zayed Al Nahyan visited China at the invitation of President Xi Jinping, marking 40 years of diplomatic ties. The leaders discussed enhancing bilateral relations, focusing on economic, developmental, and cultural cooperation under the Comprehensive Strategic Partnership framework.
- President Xi pledged support for the UAE's sovereignty, long-term cooperation, and the Belt and Road Initiative, while Sheikh Mohamed endorsed China's Global

Development, Security, and Civilization Initiatives. Both emphasized multilateral efforts for peace and prosperity and called for an immediate ceasefire in the Palestinian-Israeli conflict, urging international support for a two-state solution.

- On August 4, 2023, UAE foreign minister Sheikh Abdullah bin Zayed bin Sultan Al Nahyan and his Chinese counterpart Wang Yi held a phone call in which both sides discussed ways to improve bilateral cooperation between the two countries. China is ready to work with the United Arab Emirates to deepen the synergy of development strategies, strengthen two-way investment, and deliver more high-level cooperation outcomes to jointly deepen and consolidate China-UAE relations, the Chinese foreign minister said.

GRC Materials

The Gulf Research Center produces various publications through its research programs, projects, and Gulf Research Meetings. The GRC's publications can be accessed on its website via this [link](#), and the commentary and analyses can be found [here](#).

Commentary & Analysis

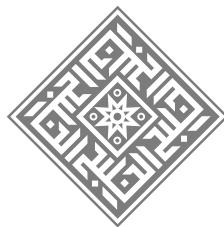
- [New Alliances: The 2024 BRICS Summit and Its Strategic Implications for the Gulf Region](#) - Layla Ali, Gulf Research Center, November 2024
- [China's Strategic Diplomacy: Analyzing Recent Unity Deal Between Hamas and Fatah](#) - Layla Ali, Gulf Research Center, July 2024
- [Gulf Investments in China: A New Era of Strategic Partnerships Published in ISIPI Dossier On 'Investing Eastward: The Gulf's Strategic Partnerships in Asia' By Chiara Lovotti](#) - Layla Ali, Gulf Research Center, July 2024
- [Opportunities and Limits of the China-Arab States Cooperation Forum](#) - Layla Ali, Gulf Research Center, July 2024



- [China's Regional Diplomacy and Strategy in Light of the Gaza Crisis](#) - Layla Ali, Gulf Research Center, January 2024
- [BRICS & Saudi Arabia's Membership: What Does This Mean?](#) - Layla Ali, Gulf Research Center, January 2024
- [Eurasian Powers Are Benefiting from the War in Gaza](#) - Emil Avdaliani, Gulf Research Center, January 2024
- [A Win for Regional Diplomacy Saudi-Iran relations have taken an important step, although only a small and initial one](#) - Dr. Christian Koch, Gulf Research Center, March 2023
- [The Economic Developments of the Arab – China Summit](#) - Abdullah Almutabagani, Gulf Research Center, December 2022
- [President Xi Jinping's Visit to the Kingdom: What does this Entail Moving Forward?](#) - Layla Ali, Gulf Research Center, December 2022
- [Saudi Arabia Developing a Partnership with China](#) - Layla Ali, Gulf Research Center, October 2022
- [Saudi Arabia's Foreign Policies](#) - Amnah Mosly, Gulf Research Center, April 2022
- [GCC-China Relations and the Visit of the Foreign Ministers of Saudi Arabia, Kuwait, Oman and Bahrain to China](#) - Ghassan Shams, Gulf Research Center, February 2022
- [The US-China Battle for Influence in Global Multilateral Organizations: What the Recent WHO Clash Means for the Upcoming G20 Summit and the Future of Multilateralism](#) - Aileen Byrne, Gulf Research Center, September 2020
- [Russian-Chinese Security Architecture in the Gulf: Role of China, Russia & Iran in the Gulf](#) - Layla Ali, Gulf Research Center, September 2020

Books & Volumes

- **The Arab States of the Gulf and BRICS: New Strategic Partnerships in Politics and Economics** - Edited By: Prof. Tim Niblock, Alejandra Galindo, Degang Sun, September 2016
- **The Strategic Position of the GCC Countries: The View from China** - Author: Jiuzhou Duan, June 2016
- **Security Dynamics of East Asia in the Gulf Region** - Edited By: Prof. Tim Niblock, Yang Guang, September 2014
- **Asia-Gulf Economic Relations in the 21st Century: The Local to Global Transformation** - Edited by: Tim Niblock and Monica Malik
- **China in the Eyes of the Saudi Media** - Author: Mohammad Al-Sudairi, April 2013
- **A New Gulf Security Architecture: Prospects and Challenges for an Asian Role** - Edited by: Ranjit Gupta, Abubaker Bagader, Talmiz Ahmad and N. Janardhan
- **Sino-Saudi Relations: An Economic History** - Author: Mohammad Al-Sudairi, August 2012
- **India, China and Globalization: The Emerging Superpowers and the Future of Economic Development** - Author: Piya Mahtaney, February 2008
- **Transition and Challenge: China's Population at the Beginning of the 21st Century** - Edited By: Zhongwei Zhao, Fei Guo, September 2007
- **The Arab States of the Gulf and BRICS: New Strategic Partnerships in Politics and Economics** - Edited by: Tim Niblock, Alejandra Galindo and Degang Sun
- **If China Slows: Implications for the World Economy** - Author: C.P. Chandrasekhar, July 2007



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Gulf Research Center Jeddah (Main office)

19 Rayat Alitihad Street
P.O. Box 2134
Jeddah 21451
Saudi Arabia
Tel: +966 12 6511999
Fax: +966 12 6531375
Email: info@grc.net



Gulf Research Center Riyadh

Unit FN11A
King Faisal Foundation
North Tower
King Fahd Branch Rd
Al Olaya Riyadh 12212
Saudi Arabia
Tel: +966 112112567
Email: info@grc.net



Gulf Research Center Foundation Geneva

Avenue de France 23
1202 Geneva
Switzerland
Tel: +41227162730
Email: info@grc.net



Gulf Research Centre Cambridge

University of Cambridge
Sidgwick Avenue,
Cambridge CB3 9DA
United Kingdom
Tel: +44-1223-760758
Fax: +44-1223-335110



Gulf Research Center Foundation Brussels

Avenue de
Cortenbergh 89
4th floor, 1000
Brussels
Belgium

