



ANALYSES

Between Tehran and Riyadh: Resolution or management of competition and conflict?

* **Fatima Alsmadi**

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Iranian press welcomes the agreement: "An All-Asian Agreement" [Reuters]

The development that occurred in relations between Iran and Saudi Arabia is a deal that pertains to two competing regional states, and mainly affects the Gulf region and the influence of both parties in more than one place. And if this deal is successful, it will be a great achievement for China for various reasons. Nonetheless, success and failure are dependent on the key players and their ability to master the game in a playing field overwhelmed by competition and conflict. Success, even if average, in resolving the disputes between Iran and Saudi Arabia will enable China to make an unprecedented diplomatic leap in its foreign policy, which will make it bolder in the future regarding other dossiers.

However, if conflict dominates the relationship as it had in the past, it will be much greater; and China will realise that it was overly optimistic, that it exposed its foreign policy traditions to risk, and that it failed to be a true guarantor of the agreement.

What transpired in Beijing was certainly a continuation of talks that had occurred in Oman and Baghdad between 2021 and 2022 with mediation of former Iraqi prime minister, Mustafa al-Kadhimi. (1) However, the Chinese role cannot be reduced to the mere picking of fruit, which Ali

Hashem, a journalist who covers Iranian affairs, maintains in an analysis he published on Jdeh Iran. [\(2\)](#) In fact, he believes that China has taken upon itself to eliminate the remaining obstacles to its foreign policy. It seeks to be a mediator whose role does not end with the announcement of the agreement, for a guarantor is needed to uphold it when obstacles arise. Here, Beijing came in with all its might as an economic and military partner to the two archenemies to achieve the first of its diplomatic achievements in a region that has always been known for the extent of American influence in it, and compete with American influence that spans 60 years.

As it relates to economic interests, the two rival countries constitute the main source of energy for China, with whom they also have huge economic projects. For example, China has signed a 25-year strategic agreement with Iran, and has agreed with Saudi Arabia on economic projects worth more than \$50 billion.

In addition, China is Iran's largest economic partner, while Saudi Arabia is China's largest economic partner in the region with bilateral trade worth more than \$87 billion annually. [\(3\)](#) In 2022, and despite economic sanctions, the volume of bilateral trade between Iran and China amounted to \$14 billion. [\(4\)](#) This figure is much lower than those of previous years, including 2017, for example, when the volume of bilateral trade reached \$33 billion. In 2014, Iran was China's largest trading partner in the region with the volume of bilateral trade amounting to \$51 billion. However, what is important in today's equation is that China is the largest consumer of Iranian oil, and therefore neutralises the impact of sanctions and thwarts the United States' goal of reducing Iran's sales to zero barrels. In return, China supported Iran's full membership in the Shanghai Cooperation Organisation, which could greatly benefit Iran economically, militarily and in terms of security.

As for the two parties to the equation, to this day, it is difficult for some to imagine their relationship without the influence of the United States, which happens to be a very influential player politically, economically and militarily. But the Islamic Republic has always believed that the solutions to the

region's problems should take place without US interference; and that was one of the two priorities of Ebrahim Raisi's foreign policy, i.e. to improve relations with neighbouring countries. After his election, Raisi emphasised in a telephone conversation with the Emir of Qatar, Sheikh Tamim bin Hamad Al Thani, that "collective security" constituted the core of his administration's "regional foreign policy doctrine", [\(5\)](#) given that this "doctrine" can bring "peace and stability" to the region and "equanimity and prosperity" to its peoples.

Achieving collective security, according to Raisi, is "contingent on the reduction of foreign interference in the relations of Iran and its neighbours to zero." [\(6\)](#) However, this position is not exclusive to Raisi, but one of the constants of Iranian foreign policy. In fact, Rouhani had called for the Gulf states to take charge of their own security without "foreign interference" as well. [\(7\)](#) Whether this is feasible in a region that has the greatest US military presence after the United States itself, and whose governments have strong relations with Washington - while Tehran's relations with it witness an ongoing crisis - is questionable. But it is fundamentally related to Iran's declared objective to remove US forces from the region following the assassination of Qassem Soleimani in early 2020. [\(8\)](#)

It is clear that Saudi Arabia conducted a comprehensive reassessment of its foreign stakes and came out with negative results regarding to the role of the United States. After having viewed Washington as a reliable ally, it faced great disappointment, as indicated by Abdulaziz Sager, Founder and Chairman of Gulf Research Center and Saudi expert on Gulf politics and strategic issues, in his intervention during the 14th Al Jazeera Forum.

This reassessment may lead to a change in Saudi Arabia's foreign policy, and thus, the strengthening of relations with China to unprecedented levels as well as the pursuit of a more balanced policy towards Russia despite Western pressures.

The success of the Iranian-Saudi agreement depends on how relations between Iran and Saudi Arabia, whose complexity and implications cannot be disputed, are managed. It is also a test of China's ability

to be a guarantor of an agreement between two countries whose relations have witnessed more competition and conflict than stability and understanding. Not to mention, Gulf countries, particularly Saudi Arabia, appeared to be discontented with the 25-year agreement between China and Iran; and the latter expressed great anger at the Chinese president's signing of the joint statement of the summit that brought together Gulf leaders in December 2022. The statement “stressed the importance of a comprehensive dialogue with the participation of the countries of the region to address the Iranian nuclear file and destabilising regional activities, address support for terrorist and sectarian groups and illegal armed organisations, prevent the proliferation of ballistic missiles and drones...” (9) It also affirmed “[Gulf leaders’] support for all peaceful efforts, including the initiative and endeavours of the United Arab Emirates to reach a peaceful solution to the issue of the three islands; Greater Tunb, Lesser Tunb, and Abu Musa...” [\(10\)](#)

Perhaps the question here is whether China is able to remain neutral if it wants to win politically, and whether the decision will be made based on the most probable balance in the equation of money and trade.

Between success and failure

- The most prominent feature of the Iranian-Saudi agreement is that it came free of US interference and was brokered by its greatest rival, China.
- This agreement cannot end the rivalry between the two countries, but it may succeed in managing it with minimal losses on both sides.
- One of the factors of the success of the agreement is the recognition that the restoration of security and peace in Syria, Iraq and Yemen should be a collective action within new mechanisms in which Iran has a key role.
- Yemen will probably be the starting point from which the success or failure of the agreement will be tested. Iran wants a greater political role for Ansar Allah in the future and government of Yemen if a political solution is reached. Therefore, as far as Iran is concerned, the desired

political solution in Yemen includes the Houthis as key members and not "proxy fighters". The Iranian strategy towards Yemen is based on two parts: first, presenting itself as a state that is capable of playing a constructive and influential role in devising a political solution in Yemen; and second, supporting, protecting and empowering its allies through various means to prevent their forced exclusion from the political arena.

- Iran needs show a gesture of good faith and seriousness about prioritising the improvement of relations with its neighbours; and Saudi Arabia needs to provide guarantees that Iran will not be targeted in any hostile endeavours with Israel or the United States.
- The agreement will not make Iran forfeit its regional influence. Rather, it will try to use talks to strengthen the positions of its allies. Acceptance of the Syrian regime and the restoration of relations with it, for example, may be the most prominent objective of this approach.
- Saudi Arabia must not fund the satellite channels that played a role in the incitement of demonstrations in Iran in the past months; and it has already stopped.
- Gradual US withdrawal from the region has caused uncertainty for Washington's allies who, for decades, have tied their security to their relations with the United States. As a result, they now face the challenge of redefining their relations in the region. Nonetheless, the crisis and developments in Iranian-US relations will continue to affect the nature of Iran and Saudi Arabia's relations, regardless of whether nuclear talks resume and the nuclear agreement is revived or the talks stagger and lead to an escalation between the two parties.
- The potential success of the agreement may lead to a reconsideration of normalisation and the curbing of Israel's growing presence in the Gulf region, which Iran views as a direct threat to its national security.
- The economic interests of the two countries may be a gateway to the success of the restoration of Iranian-Saudi relations.
- The restoration of diplomatic relations does not guarantee that all the disputes between Iran and Saudi Arabia will be resolved. In fact, the agreement may achieve no more than "cold peace". However, its failure will lead to tensions much greater than competition or struggle.

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