

light manufactured goods, machinery and equipment, vehicles, foodstuffs, and engineering labour services⁶¹. Furthermore, China has the capacity to export labour service to Arab countries because of the relative insufficiency of labour in these nations. Therefore, China's complementarity to Middle Eastern states has made it a major trade partner in the region.

From a Middle Eastern standpoint, China is a huge market for oil exports. With the decrease in oil demand after the global economic crisis and the growing desire of Western states to diversify their oil supplies, the GCC States have found a great trading partner in China: Saudi Arabia, Oman, United Arab Emirates and Kuwait alone have collectively constituted 43% of Chinese crude oil imports in 2013⁶². The GCC cluster owns some of the most oil wealth in the world in conjunction with relatively politically stable environments, an appealing combination for Chinese interests.

From a Chinese standpoint, diversifying China's oil sources is essential: Russia, Central Asia, Africa, and Latin America are all trading partners with China. China is practicing oil diplomacy, defined by Olimat as "the foreign activities with explicit involvement of the central government aiming to secure foreign oil and gas resources or promote interstate oil and gas business cooperation"⁶³ and has realized the importance of diversifying the source of its oil imports. Yet, despite trying to diversify its oil imports by trading with Eurasia, the Asia-Pacific region, and Africa, China is still very

reliant on the Middle East for crude oil. One thing for sure, both parties wish to move away from Western supremacy in the energy market. Asia and China in particular has become more reliant overall on Middle Eastern oil. Consequently, this shift in oil demand from West to East has created tensions between the United States and China. In fact, the Asian continent is expected to account for much of the growing demand in the next decades, and already, two-thirds of Saudi Arabia's oil exports go to Asia. As the United States and other Western countries search for new alternatives to oil consumption, Middle Eastern oil-rich countries are looking for steady, long-term demand. Asia and the Middle East have consequently found a ground for cooperation: while Asia wants to secure energy supplies, Middle Eastern oil-exporting states are eager to build a long-term relationship, ensuring regular and constant oil supply. Consequently, by expanding ties with China, Saudi Arabia, and Iran and Sudan to a lesser extent, diversified their international exports and reduced their dependence on Western powers, especially the United States⁶⁴.

V. SINO-SAUDI OIL POLICY

Although Chinese firms are participating actively in oil projects in other countries such as Kuwait, Oman, Qatar, Syria, the UAE, Yemen, and Iraq, their focus is mainly on two major oil producing countries: Saudi Arabia and Iran⁶⁵. China is well positioned to build an energy partnership with Saudi Arabia because unlike other oil-producing states in the Middle East, Saudi Arabia is well-established and well-resourced in oil industry. Saudi Arabia needs steady consumers and China provides a great

⁶¹ Alterman & Garver, *The Vital Triangle, China, The United States and the Middle East*, CSIS, Centre for Strategic and International Studies, Washington DC. 2008, Pg 66

⁶² EIA (2014)

⁶³ Olimat Muhammad S., *China and the Middle East: From Silk Road to Arab Spring*, Reprint Edition, New York, Routledge, 2015. Pp. 37.

⁶⁴ Sager, Abdulaziz. 2010. 'GCC-China Relations: Looking beyond Oil-risks and Rewards', in Abdulaziz, Sager, Geoffrey, Kemp (eds), *China's Growing Role in the Middle East*. Washington, DC: Nixon Center, 2010, Pp. 20.

⁶⁵ Hongtu (2010)