


Journal of Arabian Studies >
Arabia, the Gulf, and the Red Sea
Volume 9, 2019 - [Issue 2](#)

663 | 10 | 8
Views | CrossRef citations to date | Altmetric

SPECIAL SECTION: China and the Arab Gulf: Developing a Multidisciplinary Approach

The Gulf's Eastward Turn: The Logic of Gulf-China Economic Ties

Karen E. Young 

Pages 236-252 | Published online: 24 Jun 2020







🗨️ Cite this article <https://doi.org/10.1080/21534764.2019.1768655>



Sample our
Area Studies
Journals

>> [Sign in here](#) to start your access
to the latest two volumes for 14 days



-  Full Article
 -  Figures & data
 -  References
 -  Citations
 -  Metrics
-  Reprints & Permissions
- [Read this article](#) [Share](#)

Abstract

This article traces some of the patterns of investment and financial flows between China and the Arab Gulf states. Building on an emerging literature of Gulf-China relations, and Middle East-China relations more generally, it identifies specific flows of investment in the Gulf states, export destinations of Gulf energy products, and the institutional networks of development finance between the Gulf and China. Based on the specific demands of the Arab Gulf states and their shared efforts to diversify their economies away from oil and gas dependency, the research suggests that the current orientation toward China, and Asia more broadly, is a bridge strategy to create a next-generation energy market and future market access in expected areas of consumer growth. The Gulf and China need each other, but the strategies developing now are also oriented toward future growth in India and the Horn of Africa and in transport and

trade flows. This future growth will cement the Arab Gulf states as central to developing economies and our shared global economy.

Keywords:

China Gulf Cooperation Council GCC China-GCC trade relations oil and gas market

Notes

1 Scobell, “Why the Middle East Matters to China”, *China’s Presence in the Middle East: The Implications of the One Belt, One Road Initiative*, ed. Ehteshami and Horesh (2018).

2 The growing literature is exemplified by, among others, Fulton, *China’s Relations with the Arab Gulf Monarchies: Three Case Studies*, PhD thesis (2016); Mohammad Al-Sudairi’s examination of Sino-Saudi relation since the 1980s, particularly oil and petrochemical partnerships, in Al-Sudairi, “Sino-Saudi Relations: An Economic History”, *GRC Gulf Papers*, Gulf Research Center (2012); and Christopher Davidson’s investigation of the historical background and contemporary hydrocarbon and non-hydrocarbon trade links, and interlinking investments between the Gulf states and China: Davidson, “The Gulf Monarchies and Pacific Asia: Towards Interdependency?”, *Converging Regions: Global Perspectives on Asia and the Middle East*, ed. Lenze and Schriwer (2014), pp. 143-60.

3 Ulrichsen, “Economic Diversification Plans: Challenges and Prospects for Gulf Policymakers”, Arab Gulf States Institute, 26 September 2016.

4 International Monetary Fund, *Economic Diversification in Oil-Exporting Arab Countries* (April 2016).

5 Young, “UAE Fiscal Policy: Shining Light on Federal Resource Sharing”, Arab Gulf States Institute, 20 October 2017.

6 Young, “The Gulf Region’s Future: Beyond Oil and Gas”, American Enterprise Institute (AEI), 1 November 2018.

7 Cbonds, “Saudi Arabia: Bonds” (a continuously-updated information platform section on Saudi bonds).

- 8 Reuters, "Saudi, Kuwait, UAE to Sign \$10 Billion Bahrain Aid Deal: Kuwait Newspaper", 4 October 2018.
- 9 Casiraghi, Narayanan, and Pronina, "Bahrain Private Bond Said to Raise \$500 Million amid Aid Talks", Bloomberg, 4 September 2018.
- 10 Cafiero and Shakespeare, "Oman's Port Strategy", Lobe Log, 31 August 2018.
- 11 Muscat Daily, "H E Sunaidy Woos Indian Firms to Store Food Grains in Oman", 24 January 2018.
- 12 Port of Duqm website; Young, "Oman's Investment and Reform Strategy: 'Slow and Go'", Arab Gulf States Institute, 25 January 2018.
- 13 Jabarkhyl, "Oman Counts on Chinese Billions to Build Desert Boomtown", Reuters, 5 September 2017.
- 14 Business Gateways International, "\$3.2b Invested on China-Oman Industrial Park in Duqm", 13 August 2017.
- 15 World Maritime News, "Oman Gets Funding from Saudi Arabia to Develop Duqm Port", 5 January 2018.
- 16 Muscat Daily, "Foundation Stone to be Laid for Bus Manufacturing Plant in Duqm on Thursday", 28 November 2017.
- 17 State Council, People's Republic of China, "Full Text of China's Arab Policy Paper", 13 January 2016.
- 18 For more analysis, see Hindy, "A Rising China Eyes the Middle East", The Century Foundation, 6 April 2017.
- 19 International Monetary Fund, Direction of Trade Statistics (March 2017).
- 20 Wepener, "China & Arabia - The Return of the Silk Road", First Abu Dhabi Bank, 7 August 2018.
- 21 Forrest, "Chinese Visitor Surge Set to Boost UAE", The National, 13 February 2018.
- 22 Howlett, "The 21st Century Maritime Silk Road", MEED Business Review 4.2 (February 2019), p. 16.

23 Ibid., p. 18.

24 Xinhua Net, "China, UAE Agree to Lift Ties to Comprehensive Strategic Partnership", 21 July 2018.

25 Gulf News, "Adnoc Awards \$1.6b Contract to China's CNPC", 19 July 2018.

26 Halligan, "China's Silk Road Fund to Invest in Dubai Solar Project", Arabian Business, 22 July 2018.

27 The National, "DP World and China Sign Agreement to Build Trading Cluster in Jebel Ali", 19 July 2018.

28 Bridge, "UAE's ADNOC Signs Major LNG Sales Deal with China's Wanhua", Arabian Business, 12 November 2018.

29 Blanchard, "China, Saudi Arabia Eye \$65 Billion in Deals as King Visits", Reuters, 16 March 2017.

30 Ibid.

31 Crooks and Raval, "Saudi Aramco CEO Defends Sabic Deal", Financial Times, 24 September 2018.

32 Yang, "Asia Focus: Oil Price Sensitivities", JPMorgan Chase Bank, 19 October 2018.

33 Mills et al., "China's Road to the Gulf: Opportunities for the GCC in the Belt and Road Initiative" (2017).

34 Thompson, "The Future of Middle East Energy: How the Region's Oil Producers Are Responding to Structural Changes in Energy", Middle East Business Intelligence, 20 September 2018).

35 Credit Suisse, "Global LNG Markets", 5 October 2018.

36 Thompson, "The Future of Middle East Energy".

37 Credit Suisse, "Global LNG Markets".

38 Mills et al., "China's Road to the Gulf".

39 See the up-to-date database and analysis on global Chinese investments including in the Gulf, at American Enterprise Institute's "China Global Investment Tracker"; and

James, "Chinese Firms Set to Play a Major Role in Oil and Gas Development", MEED Business Review 4.1 (January 2018), pp. 70-71.

40 James, "Chinese Firms Set to Play a Major Role in Oil and Gas Development"; and Aguinaldo, "Influence of Chinese Power Firms Grows", MEED Business Review 3.7 (July 2018), pp. 24-25.

41 Power-Technology, "Siemens Signs Agreements with 10 Chinese EPC Companies", 8 June 2018.

42 James, "Chinese Firms Set to Play a Major Role in Oil and Gas Development"; Aguinaldo, "Influence of Chinese Power Firms Grows".

43 Jha and Mann, "Long-Term Forecasts — Asian Powers Global Growth", Standard Chartered, 29 January 2019.

44 Guerrero, "Depression, Not Recession, Could Haunt China in 2020", Natixis Research, 20 April 2020.

45 Young, "What Oil Markets' Bloody Monday Means for Gulf Producers", AI Monitor, 21 April 2020.

46 Baker McKenzie, "Structural Leap in Chinese Policy Lending into Middle East & Africa", 2 September 2018.

47 Ibid.

48 Ibid.

Related research

People also read

Recommended articles

Cited by
10

[China-Gulf Economic Relationship under the "Belt and Road" Initiative >](#)

Xuming QIAN et al.
Asian Journal of Middle Eastern and Islamic Studies
Published online: 17 Jul 2018

[China-UAE Relations in the Belt and Road Era >](#)



Jonathan Fulton
Journal of Arabian Studies
Published online: 24 Jun 2020

China-Saudi Arabia Relations Through the '1 + 2+3' Cooperation Pattern >

Jonathan Fulton
Asian Journal of Middle Eastern and Islamic Studies
Published online: 5 Nov 2020

View more

Information for

Authors
R&D professionals
Editors
Librarians
Societies

Opportunities

Reprints and e-prints
Advertising solutions
Accelerated publication
Corporate access solutions

Open access

Overview
Open journals
Open Select
Dove Medical Press
F1000Research

Help and information

Help and contact
Newsroom
All journals
Books

Keep up to date

Register to receive personalised research and resources by email

 Sign me up



Copyright © 2026 Informa UK Limited [Privacy policy](#)

[Cookies](#) [Terms & conditions](#) [Accessibility](#)

 **Taylor & Francis**
by informa

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG