

Sino-Qatari Relations after the 'Qatar Blockade' in the Context of the Regional Implementation of the Belt and Road Initiative

Radka Havlová

The article examines the development of the relations between China and Qatar since the 'Qatar blockade' in June 2017. Both Qatar and China view themselves as strategic partners and their relations are developing on the diplomatic and political level as well as in the field of economy and finances regardless of the 'Qatar blockade' and Qatar's subsequent regional isolation. The article explains that since the introduction of the Chinese Belt and Road Initiative (BRI) in 2013, the mutual relations of these two countries have been to an extent influenced by this initiative and Qatar has played an important role in Chinese BRI implementation in the Middle East and North Africa (MENA). Nevertheless, Qatar's relations with other Gulf states and the US place some limitations on the potential for Sino-Qatari cooperation within the framework of the BRI. The article argues that despite the regional isolation following the 'Qatar blockade' in June 2017, China and Qatar maintain good relations and continue to cooperate under the BRI framework in politics, economy, energy, military and culture.

Keywords: China, Qatar, Qatar crisis, Qatar blockade, China-Qatar relations, Belt and Road Initiative (BRI).



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Introduction

The article examines the development of the relations between China and Qatar since the so-called 'Qatar crisis' in June 2017. The article first sets the relations between China and Qatar in the context of the 'Belt and Road Initiative' (BRI), focusing only briefly on BRI in general as much has been written about this concept. The second part then examines the relations between China and Qatar in the context of the BRI.

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Since there are many larger and more populated countries in the region, why analyse the relations of China with Qatar? Qatar is a small state both in terms of its size (covering territory of only 11,586 sq. km) and the size of its population (about 2.74 million inhabitants). However, the position of Qatar in the region, and in international politics in general, goes far beyond what would correspond to its size or population. Since gaining its independence in 1971, mostly due to its rich natural resources, Qatar has grown into a highly developed, rich monarchy run by the Al-Thani family. Qatar is also well known for its state-of-the-art use of soft power diplomacy, such as the use of sport diplomacy or influential media (such as Al-Jazeera). Of special importance is the role of Qatar as a regional and global mediation power. Over the last decade, Qatar has carried out successful diplomatic efforts across the MENA, and its unbiased and peaceful resolution of regional conflict has gained Qatar recognition as a globally respected mediator. Qatar mediation contributed to the conclusion of the Doha Peace Agreement in Darfur (Sudan), the release of Djiboutian prisoners of war in Eritrea, the release of hostages in Syria, the end of the presidential vacuum in Lebanon and the proposal of a peace plan for the Israeli-Palestinian conflict.

The political relations of Qatar to its neighbours have nevertheless been rather tense over the last decade. On the one hand, Qatar is a member of the Gulf Cooperation Council (GCC) and League of Arab States. Qatar has, however, always pursued an independent foreign policy of open relations, having relations with regionally controversial countries like Iran or Israel, and non-state actors frequently considered terrorist organizations such as Hamas or Hezbollah. Barakat considers this a 'carefully constructed strategy designed to help the country navigate the complex realities of international relations and protect Qatari geostrategic interests.'² Therefore to fully understand the position of Qatar in the region we have to take into account the regional context of the relations in the Persian Gulf. The geopolitics and geo-economics of the Gulf are very complex as we can witness several

ongoing conflicts in the region, of which the most significant is the conflict between the Sunni-led Saudi Arabia and the Shia Iran which can be traced in various regional conflicts.³ Some authors even describe their tense relations as a proxy war, the 'new regional Cold war in the Middle East'⁴ or 'Cold War in the Islamic World'.⁵ There is also a fight over regional dominance within the Sunni-dominated GCC countries, also linked to the GCC countries' relations with the US.

The Qatari pursuit of an independent open multidirectional foreign policy has led to regional conflicts between Qatar and the GCC states in recent decades, escalating into the 2017 'Qatar crisis', as many GCC countries felt threatened by the open foreign policy of Qatar (sometimes referred to as the 'enfant terrible' of the Gulf).⁶ This is particularly true about Saudi Arabia as the dominant GCC country whose relations with Qatar have been rather complicated in the recent decade. Saudi Arabia is the only country with which Qatar has a land border, and it has long acted as a guardian of Qatar after its independence. However, the increased role of Qatar in regional and international politics due to its mediation efforts and the influence of al-Jazeera, has led to increased tensions between the two countries. Following the Arab Spring, Qatar was actively involved in the crises in Egypt supporting the Muslim Brotherhood and the former president Morsi, in Libya supporting the military intervention on behalf of the rebels, in Syria supporting rebel forces and providing mediation services and in Tunisia supporting populist Islamist parties. The Arab Spring can thus be seen as a turning point of unbiased Qatari foreign policy as Qatar clearly stood out supporting the rebel forces, which led Bahrain, Saudi Arabia and UAE to recall their ambassadors from Qatar in March 2014 in protest at Qatar's 'interference in their internal affairs',⁷ fearing in particular the Qatari support of Muslim Brotherhood across the region. The relations were restored in November 2014 after the Kuwaiti mediation and signing the Riyadh Supplementary Agreement.

The inter-GCC conflict escalated again in June 2017, leading to what has become known as the 'Qatar crisis', later referred to as 'Qatar blockade', when the anti-Qatar coalition ('the Anti-terror Quartet'⁸) consisting of Bahrain, Egypt, Saudi Arabia and UAE cut diplomatic ties with Qatar in response to alleged violations of the Riyadh Agreement by supporting terrorism (i.e. Muslim Brotherhood through Al-Jazeera) and by maintaining relations with Iran. The countries banned Qatari airplanes and ships from entering their airspace and sea routes; Saudi

Arabia blocked the only land border of Qatar and proposed digging a 60-kilometer ocean channel through the two countries' land border, thus turning Qatar into an island.⁹ The anti-Qatar coalition issued a list of 13 demands in July 2017, which called for Qatar to reduce diplomatic relations with Iran, to shut down a Turkish military base and to stop military cooperation with Turkey, to sever ties to terrorist organizations such as Muslim Brotherhood or Hezbollah, to shut down Al-Jazeera and other media outlets funded directly or indirectly by Qatar, and to end interference in sovereign countries 'internal affairs or cease contact with the political opposition in Saudi Arabia, the UAE, Egypt and Bahrain. Qatar refused to comply with these requirements and instead in August 2017 fully restored its diplomatic ties with Iran, partly because Qatar and Iran share the world's largest LNG field. Qatar thus continues to pursue an independent foreign policy, which was clearly demonstrated in December 2018 when Qatar decided to leave OPEC and focus fully on its LNG resources. As Qatari oil minister Saad al-Kaabi explained, Qatar wants to increase its LNG production from 77m to 110m tonnes each year,¹⁰ denying simultaneously that the decision to leave OPEC would be linked to poor inter-GCC relations.

Although the position of Qatar in the MENA since the 'Qatar blockade' is rather complicated, we can claim that since the introduction of the BRI in China in 2013, Qatar represents an important part of the BRI in the region, albeit with some significant limitations which are generated by Qatar's relations with other Gulf states and the US. Although these two countries differ significantly in size, population, political systems or in economic development, both Qatar and China view themselves as strategic partners regardless of the 'Qatar blockade' and Qatar's regional isolation.

Belt and Road Initiative and the Persian Gulf

The BRI – first introduced as the 'One Belt, One Road' initiative (OBOR), later referred to as the 'Belt and Road Initiative' (BRI) – was introduced by Chinese leadership, including Chinese President Xi Jinping, in September 2013. The BRI is the most significant foreign policy initiative undertaken by China; however, many questions about it remain unanswered as the main Chinese document on the BRI called Visions and Actions does not clearly define the objectives and tools of the initiative.¹¹ The unclear focus of the BRI also makes it more complicated to assess the impact and outcomes of the BRI, because as van

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der Putten, Seaman, Huotari, Ekman and Otero-Iglesias point out, 'no official or generally accepted definition of OBOR exists'.¹²

The BRI is generally understood as the world's largest economic corridor, encompassing 68 countries on 4 continents with an intended annual investment volume of US\$150bn.¹³ It focuses mostly on investments into infrastructure such as ports, bridges, highways, tunnels, roads and railroads. The BRI is composed of two main routes. The first is the Belt, also referred to as the 'Silk Road Economic Belt', stretching from China through Central Asia to Europe via land. The second is the Road, i.e. the '21st century Maritime Silk Road' connecting China and Europe through the South China Sea, Indian Ocean and Red Sea via a nautical route.

The BRI is understood as an important tool of Chinese economic diplomacy, and it continues to be the core of the Chinese foreign policy. In May 2017 Chinese President Xi Jinping addressed the Silk Road Summit for International Cooperation in Beijing and pledged additional USD 124bn for funding the BRI projects.¹⁴ No matter how important BRI is as an economic initiative and fundamental part of Chinese economic diplomacy, some countries, including China's major rivals such as India, Japan, South Korea or the United States, view the BRI not only as an economic tool of Chinese foreign policy, but also as a tool which is likely to change the geopolitics in Asia and which may also have strategic implications.¹⁵ It is, nevertheless, unrealistic to expect the GCC countries to reconsider their strategic relations with the US which has been a chief guarantor of security in the Gulf in light of the BRI. This understanding is also supported by the fact that China has continuously stressed its policy of non-intervention into internal affairs and the fact that it does not intend to replace the US as the chief security guarantor in the Gulf.

The countries of the Persian Gulf are of fundamental importance for the Chinese BRI due to the high reserves of oil and liquid natural gas (LNG) which are significant for Chinese energy security. As such, the region plays an important role in the broader Chinese Middle East strategy. China has invested in large infrastructural and investment projects in the Persian Gulf. China's cooperation with the countries of the region is executed both on a bilateral and multilateral basis. China's partners in the region include not only Qatar, Bahrain, Saudi Arabia, the United Arab Emirates (UAE) and Oman, but also Iran. However, it is necessary to differentiate the different levels of 'partner-

ship' China is concluding with the Gulf counties: the highest level of comprehensive strategic partnership is enjoyed only by Saudi Arabia, Iran and the United Arab Emirates, which makes them more important partners of China in the region than other countries of the region, including Qatar, who only enjoys the level of strategic partnership with China.

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China also cooperates with the countries of the Middle East on the multilateral level. The most important fora include the China-GCC Strategic Dialogue and the China-Arab States Cooperation Forum (CASCF). To coordinate the complex Chinese involvement in the region, China established the National Security Commission in January 2014, which is chaired by the Chinese President Xi Jinping and which is also supposed to coordinate the Chinese multilevel involvement in the region. Chinese relations with the GCC intensified after the so-called Arab Spring. As Cheng points out, the geopolitical changes in the region led China to reconsider the position of the GCC countries not only as a source of energy resources, but to also focus on Chinese political involvement in the region as political development in the region may also have an impact on those in China. Chinese interests in the GCC region cannot therefore be reduced to energy, since they also cover geopolitical, economic, trade, security and non-traditional security interests. As Cheng points out, the GCC countries appreciate China's growing involvement in regional affairs as the GCC countries and 'want to enhance their strategic manoeuvrability through limiting the predominant U.S. role; improving relations with China therefore becomes an attractive option'.¹⁶ However, there has not been a direct statement by the GCC countries that would imply that GCC countries consider China a viable alternative for guarantee of security in the region – a role that has traditionally been played by the US. China is also aware of the role of the US in the region and of this delicate balance in the Middle East, and therefore the US–China Middle East Dialogue was initiated in August 2012 to try to maintain the balance between US and Chinese involvement in the region.

The China-GCC Strategic Dialogue has focused on maintaining good economic relations between the GCC member states and China since its first meeting in 2010. Three meetings took place in 2010, 2011 and 2014, focusing on mutual political and economic cooperation with the intention of China to gradually 'uplift the bilateral political relations, with establishing strategic partnership as the goal, to

deepen practical cooperation in all fields with building the free trade area (FTA) as the focal point.¹⁷ Even though the China-GCC FTA is still under negotiation, the GCC countries are trying to maximize the benefits from participating in the BRI by promoting the construction of the Silk Road Economic Belt and the Maritime Silk Road of the 21st century. As Qian and Fulton point out, the trade volume between the GCC countries and China has risen considerably since the launch of the BRI and China has become a major economic partner for the GCC.¹⁸

Chinese multilateral cooperation with the Middle East further includes the broader CASCF. This cooperation with the Arab League countries has been implemented since 2004 in the form of bi-annual meetings and focuses mostly on promoting cooperation in the fields of trade, energy and culture. So far eight meetings at ministerial levels have been held through 2018, the last in Beijing in July 2018, focusing on implementation of BRI projects in the participating Arab countries. In addition to the already existing cooperation within the CASCF, China launched two new initiatives in 2018 to promote even deeper cooperation with the MENA countries as a result of the 8th CASFC meeting. The strategic partnership between China and Arab states was announced in July 2018 as 'a future-oriented strategic partnership of comprehensive cooperation and common development' between China and Arab states.¹⁹ The second project includes the 'industrial park-port interconnection, two-wheel and two-wing approach'²⁰ which will focus on Chinese investments in industrial parks in Oman, Saudi Arabia, UAE and Egypt in the field of oil and gas ('two wheels') and science, technology and finance ('two wings').

In recent years, the CASCF has significantly improved its structure and norms of cooperation, and now it works under the '1+2+3' co-operation framework: '1' focuses on the 'core' cooperation in the energy sector; '2' represents the 'wings' supporting the core, i.e. the priority cooperation in infrastructure and investment and trade facilitations; and '3' refers to 'three breakthroughs' and indicate cooperation in high-tech sectors of nuclear energy, aerospace and new energy resources. The '3' fields of cooperation should, according to the Chinese president Xi, include three centres such as the China-Arab technology transfer centre, the research and training centre for the peaceful use of nuclear energy, and a China Beidou satellite navigation system landing project in Arabia. Efforts have been made to advance the 'four action plans',

namely co-operation in four major fields of promoting stability, identifying new forms of co-operation, conducting production capacity co-operation, and deepening friendship.

The cooperation between China and the countries of the Middle East has been facilitated by the Chinese non-interventionist approach into internal affairs and regional conflicts. Unlike European countries or the United States which frequently intervene into internal affairs of the MENA countries for political and security reasons, China, as explained by Wu Bingbing of Peking University, 'focuses on economy, trade and development, which help these countries to solve domestic and regional problems on their own'.²¹ This approach is also reflected by the Chinese President Xi Jinping who stressed at the last CASCF forum that 'China and Arab countries are natural partners in BRI co-operation and need to follow the Silk Road spirit of peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit'.²² China has so far been able to balance its relations with countries such as Iran and Saudi Arabia who are the main regional rivals in the Middle East. However, the need of delicate balancing between the frequently contradictory interests of the individual countries of the Gulf may represent a huge challenge for the implementation of the BRI in the Gulf. Successful implementation of BRI in the Gulf could lead to the strengthening of the position of Iran, an important trade partner for China, and thus weaken the position of its main rival in the region, Saudi Arabia. So far, China has been able to remain neutral in the regional conflicts, and to maintain good relations with both Iran and Saudi Arabia and other GCC members. This is clear also in the case of the so called 'Qatar blockade', which China sees as an internal matter of the GCC. Nevertheless, a long-term blockade would harm the Chinese interests in the region as it could destabilize the regional balance of forces. China thus is trying to balance its relations with Qatar and other countries without intervening in the internal affairs of the GCC. However, should the 'regional proxy war' escalate, it may pose a big challenge for a smooth implementation of the BRI in the Gulf.

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Chinese-Qatari relations under the Belt and Road Initiative

Despite the complicated position of Qatar in the region and the country's small size and relative lack of regional clout, China views Qatar as a country with significant regional diplomatic experience and as a valuable partner for the BRI. Nevertheless, due to the geo-eco-

conomic and geopolitical dynamics of the Gulf region, cooperation is likely to remain on a relatively more muted level than that with the main regional powers, in particular Saudi Arabia, Iran and the United Arab Emirates. The relations between China and Qatar are developing both at the bilateral level and within multilateral forums such as China-GCC and CASCF. China sees Qatar as an attractive economic partner that plays a crucial role in the Chinese quest for energy resources. As such, China understands Qatar as an important partner in the BRI since Qatar has been supporting and promoting the BRI in the Gulf region since the beginning of its implementation. Qatar, on the other hand, realizes that China is an emerging global power both economically and politically, whose influence in the global politics and economy is likely to rise even more in the future. China also represents an important economic market and investment target for Qatari companies. Qatar highly values the Chinese approach to mutual relations, which is based on equal treatment without acting as a hegemon. In the light of the 'Qatar blockade', Qatar also appreciates the non-interventionalist approach of China and its pragmatic foreign policy towards the Gulf region.

Diplomatic relations

The relationships between China and Qatar have been historically influenced by the internal development in both countries, by the context of the Cold War, and by the regional development in the Persian Gulf. Diplomatic relations between China and Qatar were established only on 9 July 1988, as the West-oriented Qatar did not have any major relations with Communist China, with the exception of minor trade relations dating back to the 1950s. During the 1960s and 1970s, relations between Qatar and China were also harmed by violent persecution of Muslim minorities in China during the Cultural Revolution, and the relations between Qatar and China practically did not exist in this period.

The relations in the first decade after establishing diplomatic relations focused mostly on trade. Diplomatic relations started to develop mainly after Sheikh Hamad Ibn Khalifa Al-Thani took power in Qatar in 1995. In 1999 Emir Hamad bin Khalifa Al-Thani was the first Qatari head of state to officially visit China, declaring the importance of China for Qatar. Since then Qatari and Chinese officials have undertaken frequent official visits, including the 2014 official visit of Emir Tamim

bin Hamad Al-Thani to China and his meeting with Chinese President Xi Jinping, resulting in the establishment of a strategic partnership between China and Qatar. During his visit, the Qatari head of state recognized the importance of China for Qatar, particularly since the launch of the BRI in 2013. As noted by the Qatari ambassador to China, Sultan bin Salmeen Al-Mansouri, 'the Qatar Vision 2030²³ is in line with the concept of development upheld by the Belt and Road Initiative, primarily in terms of the pursuit of economic, human, social, cultural, and environmental development'.²⁴ Over the last decade, China and Qatar have signed several Memorandums of Understanding and agreements on cooperation on politics, economics, culture, education, sport, travel and other matters. In 2014 Qatar and China agreed on the formation of a Strategic partnership. Qatar also opened General Consulates in Hong Kong and Guangzhou to promote mutual relations.

The diplomatic relations between China and Qatar since the 'Qatar blockade' in June 2017 have not changed substantially as China also adapted the non-interventionist approach typical for its foreign policy also to the 'Qatar blockade', stating repeatedly that the Qatar blockade should be solved within the GCC. As Li Quofu, a senior research fellow at China Institute of International Affairs, explains: 'We've proposed the BRI – a great platform, which we hope Middle Eastern countries would utilize to co-develop their economies instead of fighting each other. In this regard, I think China is already playing an active role there'.²⁵ In December 2018 China and Qatar held the first round of strategic dialogue in Beijing, celebrating the 30th anniversary of establishment of China-Qatar diplomatic relations, and focusing on developing a comprehensive strategic partnership in economy, security, energy, civil aviation, culture and tourism. However, unlike Saudi Arabia, Iran and United Arab Emirates, the level of partnership between China and Qatar has not yet reached the level of the comprehensive strategic partnership, which reflects the higher importance of the three aforementioned countries to China compared to Qatar.

China is, nevertheless, worried about the links of Muslim terrorist groups to its Uyghur Muslim minority of the Xinjiang province, as one of the accusations the GCC countries held against Qatar during the 'Qatar blockade' was its support of terrorism. Although there is no evidence Qatar would support the Islamist movements linked to the Uyghur minority, such as the Turkestan Islamic Party or the East Turkestan Islamic Movement (ETIM), sources indicate that about

5,000 to 20,000 Uyghurs joined the Sunni Islamist movements in Iraq and Syria, which are allegedly supported by Qatar.²⁶ The returning Uyghur fighters are considered a security threat by the Chinese government. Their representatives met at the Interpol summit in Beijing in September 2017 and signed an agreement formalizing joint efforts between of China and Qatar to fight terrorist groups, and to coordinate their efforts against terrorism in the Middle East and the Asia-Pacific region. Another controversial issue in Sino-Qatari relations is the broadcasting of Al-Jazeera and its critical coverage of issues sensitive to China such as the use of prison labour, human rights conditions in China or criticism of Chinese foreign policy in Syria and Libya. However, despite some critical coverage of China-related issues, Al-Jazeera closely cooperates with China Central Television (CCTV), with whom it signed a partnership agreement in 2013.

Economic relations

The recent decade has witnessed a huge increase in the mutual relations between China and Qatar, particularly since the introduction of the BRI in 2013 as many agreements on trade, investment, aviation, transport have been signed since 2013 and the China-Qatar Investment Co-operation Committee was established to facilitate mutual trade and investments. The trade volume between China and Qatar has risen by a factor of 160 since the establishment of diplomatic relations in 1988, amounting to US\$8bn in 2017²⁷ compared to US\$1.2bn in 2007.²⁸ The opening of the first clearing centre for Chinese yuan in the MENA, the Renminbi Clearing Centre (with capital of RMB30bn in Qatar in April 2015) was of fundamental importance for the BRI implementation in the region as it facilitated transactions in RMB, promoted trade and encouraged investments in Chinese currency. Chinese banks, such as the People's Bank of China or the Industrial and Commercial Bank of China, also opened their subsidiaries in Qatar to promote mutual economic cooperation. However, since the establishment of the Renminbi Clearing Centre in the United Arab Emirates in December 2015, the UAE has become the largest trading point for RMB in the Gulf area, with Qatar falling to the second position with respect to the trade volumes carried in the Renminbi Clearing Centers of UAE and Qatar.

Economic relations between China and Qatar have been rising steadily in the recent years; trade volume increased by 45% annually in the first quarter of 2018 compared to the first quarter of 2017 and

like for other GCC countries, China has become the largest exporter of goods and services to Qatar, while the exports of Qatar to China increased by 60%.²⁹ As summarized by the Deputy Prime Minister and Minister of Foreign Affairs, Sheikh Mohammed bin Abdulrahman Al-Thani: 'China is one of our biggest trading partners. We are part of China's Belt and Road Initiative and we are a founder of the Asian Infrastructure Investment Bank. In 2015, we raised our relationship to strategic levels'.³⁰

Qatar exports LNG, minerals, oil and petroleum products and petrochemical products to China. Qatari investments in China focus mostly on Chinese banks and the stock market performed through the Qatar Investment Authority and the Qatar sovereign wealth fund.³¹ Qatar acquired a 2.8% share in Agricultural Bank of China valued at USD 2.8bn³² in 2010. Qatar sovereign wealth fund received permission to invest in Chinese capital markets in 2012 and bought a 22% share in one of the largest investments funds in China, Citic Capital Holdings.³³ In 2014, Qatar sovereign wealth fund signed a Memorandum of Understanding with China International Trust and Investment Corporation, a Chinese state-owned company, which set up a fund to invest US\$10bn in health-care, infrastructure and property in China.³⁴ In 2014 Qatar sovereign wealth fund further acquired a 20% share in Hong Kong Sogo department store operator Lifestyle International Holdings for HK\$4.78bn.³⁵ Further Qatari investments in China included US\$616mil in luxury retailers, US\$20bn in real estate and infrastructure; a 5% stake in the largest airline in China, China Southern Airlines, in January 2019³⁶ and joint investments with Chinese companies in the sectors of finance, e-commerce, and the Internet, such as Alibaba or Baidu.³⁷

To promote Chinese products, Qatar has organized the annual 'Made in China Exhibition' in Doha since 2015. The third exhibition took place in November 2017 demonstrating the growing cooperation and increasing trade relations between China and Qatar. On the occasion of opening the exhibition, the Qatari Minister of Energy and Industry Mohammed Bin Saleh Al-Sada appreciated in particular that more than 80 Chinese companies participated in the exhibition, which 'reflects their confidence in the Qatari market despite the unfair siege imposed on Qatar by blockading countries'.³⁸ China exports machinery, iron, steel, aluminium and copper products, construction tools and equipment, electrical products, textiles, high-tech products and mechanical products to Qatar. As of 2018, China is Qatar's third larg-

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est trading partner after South Korea and Japan, with US\$10.6bn worth of traded goods in 2017, accounting for 10.92% of the country's total trade volume.³⁹ In 2014 China signed agreements with Qatar in telecommunications and other infrastructure projects in Qatar worth roughly US\$ 8bn.⁴⁰

Chinese investments in Qatar focus on a wide range of projects. The Undersecretary at the Ministry of Commerce and Industry, Sultan bin Rashid al-Khater, stated at the Qatar-China Economic Forum in Shanghai in November 2018 that '14 fully owned Chinese companies and some 181 joint Qatari-Chinese firms are currently operating in the Qatari market covering areas such as engineering, consulting, contracting, IT, commerce and services sectors.'⁴¹ Construction investments are executed by China State Construction Engineering Corporation and China Harbour Engineering Corporation. These investments include large infrastructural and construction projects, such as the construction of the 80,000-seater Lusail Iconic Stadium for the opening and closing ceremony of the FIFA 2022 championship constructed by a joint venture between Qatari HBK Contracting and the China Railway Construction Corporation Limited; and the Hamad Port in Doha (investment of US\$7.4bn). Chinese investments also include investments into technology, as the Chinese company Huawei Technologies Co. Ltd. launched with Qatar's leading communications operator Ooredoo the fifth-generation network through the 3.5 GHz Spectrum in Qatar, being the first in the world to launch the service commercially.⁴²

Even though the 'Qatar blockade' had some negative impact on country's economy,⁴³ the sanctions imposed by Egypt, Saudi Arabia, UAE and Bahrain on Qatar failed to a large extent due to the economic involvement of China in Qatar and the Qatari investments in China, which substantially helped Qatar to overcome the impact of the sanctions. Hamad port, opened in 2017, plays an important role in this respect as it enables Qatar to increase its shipments to China by operating two new sea routes to Shanghai in China, and importing from China mostly machinery, electrical equipment and boilers to diversify the Qatari economy by supporting its own manufacturing capacities. Instead of bringing Qatar down, the 'Qatar blockade' thus led to many structural reforms of the Qatari economy being highly praised by the IMF, including a major labour reform which should simplify acquisition of permanent residency status for foreigners working in Qatar. This is of special importance to China as there are about 6,000 Chi-

nese residents in Qatar⁴⁴ (China frequently uses Chinese labour for its BRI investment projects in Qatar). Qatar and China also agreed on mutual visa exemption for Qatari and Chinese citizens in December 2018.

Energy relations

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One of the most important aspects of the mutual relations between China and Qatar is energy relations. Energy is of primary importance for Chinese foreign policy and plays a crucial role in Chinese foreign policy in the MENA. Many of the Chinese projects in the MENA region under the BRI framework focus on energy, specifically oil and LNG. Even though China is trying to increase its domestic LNG production capacities, they are still far below the Chinese LNG needs. China's drive to increase the use of LNG explains why Qatari exports of LNG are vital for China's development, and why China is an important market for Qatar as one of the largest exporters of LNG. The importance of LNG for Qatar increased after Qatar left OPEC in December 2018 claiming it wants to focus on LNG. China has been importing LNG from Qatar since 1999. China and Qatar signed a memorandum promoting bilateral energy cooperation in March 2008; subsequently, Qatargas and China Natural Offshore Oil Corporation signed an agreement in 2008 according to which Qatar will supply 2 million metric tons of LNG to China annually over a 25-year period.⁴⁵

As of now, Qatar is the second largest exporter of LNG to China after Australia. Qatari exports of LNG to China thus may also help China in its quest to reduce its dependency on traditional energy sources and acquire more energy from green sources, as LNG is considered a clean gas. As noted by the Qatari ambassador to China, Salmeen Al-Mansouri, Qatari LNG imports to China are 'vital in light of helping China cover its growing needs to diversify energy sources and shift to clean and renewable energy, thus contributing to its sustainable green development'.⁴⁶ In September 2018 the Qatari state-owned company QatarGas signed a 22-year deal with the Chinese state-owned PetroChina International Co based on which Qatar should annually supply 3.4 million tonnes of LNG to China.⁴⁷ In October 2018 Qatar Petroleum signed an agreement with the Chinese company Oriental Energy, promising to deliver 600,000 tons of LPG over five years.⁴⁸

Qatar also invests in China to support LNG-related projects. In 2011 Qatar invested US\$12.5bn in a refining complex in the Zhejiang province.⁴⁹ In 2015 the Qatari companies Hamad bin Suhaim Enter-

prises and Qatra for Investment and Development signed a deal worth US\$5bn to acquire a 49% share in the Shandong Dongming Petrochemical Group, helping China in building a LNG receiving terminal with the capacity of 3 million tons per year, LNG storage facilities and 1,000 petrol stations in six Chinese provinces.⁵⁰ Chinese companies have also invested in natural resources in Qatar. In 2010 the Qatari company Qatar Petroleum signed the Exploration and Production Sharing Agreement with Shell (75% share) and the Chinese company PetroChina (25% share) to jointly explore the gas field in Ras Laffan.⁵¹

LNG exports significantly helped Qatar overcome the economic impacts of sanctions introduced after the outbreak of the 'Qatar blockade'. As the Qatari Minister of Energy and Industry Mohammed bin Saleh Al-Sada stressed, the cooperation between Qatar and China in the field of LNG has not been harmed by the 'Qatar blockade' and evaluated that 'gas imports by China last year rose 46 per cent [in 2017]. Qatar contributed much of that extra supply. This year China will increase gas imports by another 25 per cent or so, and Qatar is ready to meet the additional demand'.⁵²

Other aspects of China-Qatar relations

The relations between China and Qatar have been developing also in security, military cooperation, education, culture and tourism. Despite China's overall strategy of non-interference and non-alliance, military and security cooperation are priorities for both countries, as well as people-to-people relations. Even though China is not a major exporter of military equipment to Qatar⁵³ (mostly due to the questionable quality of deliveries of weapons from China), China understands Qatar as a lucrative export destination for its military equipment. In 2014 China participated in the Doha International Maritime Defence Exhibition to promote the sale of Chinese military equipment to Qatar. Qatar understands its deeper security relations with China as a way of diversifying its security reliance on the United States and Europe. In light of the 'Qatar blockade', Qatar appreciates the Chinese non-interventionalist approach to arms sale which was also reflected in the 2017 Chinese supply of the SY-400 Ballistic Missile System to Qatar, following the earlier establishment of a drone factory in Saudi Arabia by China in 2017. Both China and Qatar claimed that they pledge to fight international terrorism and closely cooperate in this field.

Interpersonal relations, which are an important aspect and priority area of cooperation under the BRI, are also developing in education, culture, science and research. Qatar is a popular tourist destination among Chinese tourists, and many Qataris mainly choose southern China as their vacation destination. Tourism is facilitated by the fact that Qatar Airways run daily flights between Qatar and seven major Chinese cities (Beijing, Chengdu, Hangzhou, Chongqing, Guangzhou, Hong Kong and Shanghai)⁵⁴ and by the mutual visa exemption for Chinese and Qatari citizens implemented in 2018.

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Cooperation in media is also of special importance for Chinese soft power. Although sometimes critical of its coverage of China and its critical approach to China regarding e.g. the treatment of the Uyghur Muslims, China recognizes the importance of Al-Jazeera as an influential regional and international media outlet. As a result, China seeks a degree of cooperation with Al-Jazeera in an attempt to exert at least some influence over its output and role as an international, agenda-setting media outlet. In 2013, Chinese state television signed a partnership agreement with Al-Jazeera, which allowed Al-Jazeera to set up an office in Beijing.

Cultural relations have been growing over the last decade. 2016 was designated the China-Qatar Year of Culture. Various cultural events were organized to promote cultural understanding between China and Qatar, including exhibitions of Chinese art such as the famous terracotta warriors, silk exhibition, open-air Chinese festivals, Chinese movie weeks, and educational programs.⁵⁵ Qatar organized the Pearl Jewellery Exhibition in Beijing in 2018, which exhibited 500 rare cultural relics from the Al-Thani Collection. Chinese traditional medicine enjoys special attention in Qatar as Chinese medicine clinics have opened in Qatar in the last decade.

Chinese-Qatari cooperation also thrives in education and student and academic exchanges. The Qatari-funded chair for the Qatar Middle East Studies Project and Arabic was established at Peking University in 2014. In Qatar, efforts continue to open a Confucius Institute. In 2015 the Translation and Interpreting Institute (TII) of Hamad Bin Khalifa University (HBKU), a member of Qatar Foundation, signed a Memorandum of understanding with the Chinese embassy in Qatar to promote Chinese language teaching and cultural activities.

Conclusion

Qatar and China have been growing allies over the last decades regardless of their differences. Not only have their relations have been developing at the diplomatic level, but economic, energy and lately military cooperation have also risen significantly over the last decade. Both China and Qatar also stress the importance of soft power in their mutual relations and support their cooperation in the fields of culture, education and tourism. It is evident that despite the awkward position of Qatar in the region since the 'Qatar blockade' of 2017, the mutual relations of China and Qatar have been to a large extent positively influenced by the BRI, and Qatar represents an important partner for implementation of the Chinese BRI in the region. Nevertheless, should we compare the significance of Qatar for BRI with the significance of other GCC countries such as the United Arab Emirates or Saudi Arabia, or with Iran, we can see that these countries are far more important for BRI than Qatar. This is also reflected in the comprehensive strategic partnerships with these three countries, whereas the relations between Qatar and China remain at the level of a strategic partnership.

However, as the BRI and its tools are not clearly defined, it is difficult to assess the extent of the BRI on the relations between China and Qatar. Many Chinese investment and construction projects have been initiated in Qatar since 2013, some of which have direct links to BRI such as the construction of the Hamad port, and energy cooperation has increased significantly in this period. It is thus not clear to what extent the BRI directly contributed to this increase or whether the relations between China and Qatar would have grown regardless of the introduction of BRI in 2013.

As of now, both Qatar and China see each other as strategic partners despite the 'Qatar blockade' and Qatar's regional isolation. The 'Qatar blockade' may, nevertheless, be a test of the ability of China's non-interventionist approach to manoeuvre through the conflicting regional interests in the MENA, bearing in mind the Chinese economic interests in the region and its BRI investments in the region.



RADKA HAVLOVÁ is affiliated with the CEVRO Institute, Prague, and may be reached at radka.havlova@cevroinstitute.cz.

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Radka Havlová

Endnotes

- 1 In the text I refer to the current situation in Qatar as 'Qatar blockade' which started as a 'Qatar crisis' in June 2017, however due to the length of the crisis it has developed into a long-term blockade rather than a short-term crisis.
- 2 Barakat 2012, p. 10-11.
- 3 Both countries have regional ambitions and are directly or indirectly involved in regional conflicts, such as conflict in Yemen, Syria or Iraq. In particular Iran has been accused several times of supporting the Shia Hezbollah movement which is active not only in Lebanon, but which also actively supports the Assad regime in Syria. For more information see Santini (2017) or Dilip (2018).
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