



## **Syria Transition Challenges Project**

Discussion Paper (7)

*Syria lures but will China bite?*

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## **Syria Transition Challenges Project**

A multilateral dialogue and research project that aims to build bridges between the EU, Russia, Turkey, and the US on the three issues of Reform, Refugees Return, and Reconstruction. The project is run by the GCSP in collaboration with European University Institute (EUI), Syrian Centre for Policy Research (SCPR), and swisspeace.

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China looms large as a potentially key player alongside Russia and Iran in President Bashar al-Assad's post-war Syria. With Russia and Iran lacking the financial muscle and the United States, and Europe refusing to engage with the Syrian government, China is, from Syria's perspective, the shining knight on a white horse. Syria could become a key node in China's infrastructure, telecommunications and energy-driven Belt and Road Initiative (BRI). Syria could also bring China closer to being sucked into the Middle East's multiple conflicts.

### **China's economic interests in Syria**

Mohammed Jarah and Ahmad Bustati's warehouse in Damascus symbolised China's emergence as the largest supplier of industrial and consumer goods to Syria on the eve of the Syrian civil war. The dilapidated warehouse was stocked with everything from Chinese laser cutting machines to plastic toys for children.

A decade of fighting has dashed the two Syrian entrepreneurs' hopes. However, things seem to be looking up for businessmen like Jarah and Bustati. This is because President Bashar al-Assad gained the upper hand in the war with Russian and Iranian assistance and China seeing longer-term economic potential in Syria as a regional node of what BRI will look like irrespective of the coronavirus pandemic and its devastating economic consequences.

Syrian officials have sought to drive home China's competitive advantages and perceived interest in taking a lead in the reconstruction of their country. "The silk road is not a silk road if it does not pass through Syria, Iraq and Iran," said Buthina Shaaban, Assad's Media Advisor, referring to the BRI.<sup>1</sup> Chinese access to the Syria's Mediterranean Sea ports of Tartus and Latakia is an attractive prospect for China's multi-billion-dollar infrastructure, telecommunications and energy-driven initiatives that seeks to link Eurasia to the People's Republic. It would complement Beijing's footholds in Greece's Piraeus and the Israeli harbours of Haifa and Ashdod and echo Syria's key position on the ancient silk road.

Closely connected to Chinese interest in Syrian ports is the exploration by China Harbor Engineering Company Ltd (CHEC) of the possible upgrading of the deep seaport of Tripoli, Lebanon to allow it to accommodate larger vessels. In contrast to Syrian ports, Tripoli would grant China greater freedom of action because it would not have to share control with Russia.

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<sup>1</sup> Syrian Arab News Agency, Shaaban: China's invitation to Syria to participate in Belt and Road Forum defies U.S. sanctions," 26 April 2019, <https://sana.sy/en/?p=164263>

Together with Syrian ports, Tripoli would serve as an alternative to passage through the Suez Canal.

Qingdao Haixi Heavy-Duty Machinery Co. has already sold Tripoli port two 28-storey container cranes capable of lifting and transporting more than 700 containers per day. Also, a container vessel belonging to Chinese state-owned shipping company COSCO docked in Tripoli in December 2018, inaugurating a new maritime route between China and the Mediterranean Sea.<sup>2</sup>

Major Chinese construction companies are also looking at building a railroad that would connect Beirut and Tripoli in Lebanon to Homs and Aleppo in Syria.<sup>3</sup> China has further suggested that Tripoli could become a special economic zone within the BRI and serve as an important trans-shipment point between the People's Republic and Europe.

Chinese influence in at least six ports in four countries bordering the Eastern Mediterranean - Israel, Greece, Lebanon and Syria - could complicate the US and NATO's ability to manoeuvre in the region. This is one reason that the Trump administration has warned Israel that Chinese involvement in Haifa, where the Chinese have built their own pier, could jeopardize continued use of the port by the US fifth fleet. 'China's Military Strategy' white paper, published in 2015, emphasises the "strategic requirement of offshore waters defense and open seas," raising the spectre of Chinese-managed or owned ports in the Eastern Mediterranean serving the People's Republic's economic, commercial and military interests.<sup>4</sup>

The Chinese sway over multiple ports in the Eastern Mediterranean could also encourage Turkey to bolster its grip on the energy-rich waters in violation of international law. Turkish military support for the internationally recognised Libyan Government of National Accord produced a maritime agreement between the two entities that created an Exclusive Economic Zone in the Eastern Mediterranean region favouring expansive Turkish claims.

China's interest in Mediterranean ports is part of a larger effort to integrate the Middle East into the maritime leg of the BRI that also includes the Persian Gulf, the Arabian Sea with the Pakistani port of Gwadar as its focal point, and the Red Sea with the establishment of the

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<sup>2</sup> Eugenio Dacrema and Valeria Talbot (eds), *Rebuilding Syria: The Middle East's Next Power Game?* Reliefweb, 9 September 2019, <https://reliefweb.int/report/syrian-arab-republic/rebuilding-syria-middle-east-s-next-power-game>

<sup>3</sup> Finbar Anderson, *China looks to invest in north Lebanon*, The Daily Star, 12 July 2018, <https://www.dailystar.com.lb/News/Lebanon-News/2018/Jul-12/456223-china-looks-to-invest-in-north-lebanon.ashx>

<sup>4</sup> The State Council Information Office of the People's Republic of China, *China's Military Strategy*, May 2015, <http://eng.mod.gov.cn/Database/WhitePapers/index.htm>

People's Republic's first military out post in Djibouti. The integration is further advanced by Chinese investment in ports and logistics facilities in Dubai and Oman as well as industrial parks linked to maritime infrastructure. China's moves have been embraced by Gulf states, several of which have incorporated them in long-term plans to diversify and streamline their economies.<sup>5</sup>

Qi Qianjin, China's ambassador in Damascus, spelled out China's interest in Syria when, in a 2018 statement to the People's Republic's state-run news agency Xinhua as well as in a letter, he stressed his country's intent to expand its economic, political, and military footprint. "I think it's about time to focus all efforts on the development and reconstruction of Syria, and I think China will play a bigger role in this process by providing more aid to the Syrian people and the Syrian government," said Qi during a visit to a hospital in the Syrian capital.<sup>6</sup> For example, China has in recent years donated at least US \$44 million to Syria for humanitarian purposes.<sup>7</sup>

In a letter written in August 2019, the ambassador focussed on the development of Syrian railways and seaports, among others.<sup>8</sup> The letter was published a month after Chinese President Xi Jinping promised to lend \$20 billion to Syria, Yemen, Lebanon and Jordan for reconstruction and economic development.<sup>9</sup>

Few doubt that China, even prior to the coronavirus pandemic and its devastating economic fallout, is best positioned to be a key, if not the key player in post-war reconstruction of Syria, estimated to require between \$250 and \$400 billion in investment.<sup>10</sup> This is even more the case as other potential funders, the US, Europe, Russia and the Gulf Cooperation Council (GCC) states. These actors refuse to work with the government of Bashar al-Assad and will likely be consumed with fighting a domestic and global recession that will cause substantial loss of revenues in the wake of the pandemic. In opposition to Western states, China on six occasions backed Russian vetoes that blocked condemnations of the Syrian government and its backers, Russian and Iran, calls for ceasefires and sanctioning of alleged war criminals.

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<sup>5</sup> John Calabrese, China's Maritime Silk Road and the Middle East: Tacking Against the Wind, Middle East Institute, 19 May 2020, <https://www.mei.edu/publications/chinas-maritime-silk-road-and-middle-east-tacking-against-wind>

<sup>6</sup> Xinhua, China to play bigger role in Syria's reconstruction, development process: ambassador, Xinhuanet, 12 February 2012, [http://www.xinhuanet.com/english/2018-02/12/c\\_136967861.htm](http://www.xinhuanet.com/english/2018-02/12/c_136967861.htm)

<sup>7</sup> The Syrian Observer, Syria and China Sign Economic Agreement, 20 March 2019, <https://syrianobserver.com/EN/news/49259/syria-and-china-sign-economic-agreement.html>

<sup>8</sup> Logan Pauley, China stakes out a role for itself in post-war Syria, The Stimson Center, 3 October 2018, <https://www.stimson.org/2018/china-stakes-out-role-itself-post-war-syria-0/>

<sup>9</sup> China Daily, Highlights of Xi's speech at China-Arab forum, 10 July 2018, <http://www.chinadaily.com.cn/a/201807/10/WS5b441634a3103349141e1cb7.html>

<sup>10</sup> *Ibid.* Dacrema and Talbot

One of China's comparative advantages in heavily sanctioned Syria is the experience it garnered in circumventing US and United Nations sanctions imposed on Iran and North Korea. China benefits from alternative institutions that it built such as the Asian Infrastructure Investment Bank and the Shanghai Cooperation Organization that it either controls or in which it has considerable influence. That has not stopped the US Justice Department from accusing Chinese telecommunications giant Huawei of operating in Syria in violation of US sanctions. The department is seeking the extradition from Canada of Meng Wanzhou, the company's chief financial officer and daughter of its founder.<sup>11</sup> Meng was detained in Canada at the request of the US.

Seemingly oblivious to the risk of being targeted by the long arm of US justice, 200 Chinese companies in 2018 and 58 in 2019, active in sectors such as telecommunications and oil and gas, and transportation, attended the Damascus International Fair<sup>12</sup> where they discussed deals ranging from car manufacturing to development of mobile hospitals.<sup>13</sup> The participation of China National Heavy Duty Truck Company highlighted Chinese interest in the Syrian automotive sector. Syria could also prove to be a lucrative market for Chinese military exports. Al-Assad could well see Chinese interest as a way of loosening Moscow's and Tehran's grip on his country. This may run against Russian and Iranian efforts to reap the benefits of their boots-on-the-ground support for his government by winning lucrative reconstruction contracts.

China has so far refrained from responding in any real way to the Syrian urge to kick-start reconstruction of critical infrastructure even before remaining rebel strongholds in the country are retaken<sup>14</sup>. The vast majority of Syrian exports go to China and Chinese goods are ubiquitous in Syrian markets. Hama, Syria's most important industrial region after the collapse of manufacturing in Aleppo and Damascus as a result of the war, is awash with Chinese-made car parts, machine tools and equipment for the automobile, motorcycle, and shoe industry.<sup>15</sup> Multiple delegations of Chinese investors and businessmen have visited Syria in recent years.

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<sup>11</sup> Steve Stecklow, Babak Dehghanpisheh and James Pomfret, Reuters, 8 January 2019, <https://www.reuters.com/article/us-huawei-iran-exclusive/exclusive-new-documents-link-huawei-to-suspected-front-companies-in-iran-syria-idUSKCN1P21MH>

<sup>12</sup> Belt & Road News, China in postwar Syria, 13 March 13 2019, <https://www.beltandroad.news/2019/03/13/china-in-postwar-syria/>.

<sup>13</sup> Xinhua, Feature: Chinese cars starring int'l expo in Syria's Aleppo, New China, 6 May 2018, [http://www.xinhuanet.com/english/2018-05/06/c\\_137159870.htm](http://www.xinhuanet.com/english/2018-05/06/c_137159870.htm)

<sup>14</sup> Global Times, Syrian ambassador to China: 'Islamic State' will be completely eliminated in a month or two (叙利亚驻华大使：在一两个月内·“伊斯兰国”会被完全消灭), 28 September 2017, <https://world.huanqiu.com/article/9CaKrnK5nmL>

<sup>15</sup> CCTV, Chinese Ambassador to Syria: China insists on peaceful settlement of the Syrian issue (中国驻叙利亚大使：中国坚持和平解决叙利亚问题), 16 March 2017, <http://m.news.cctv.com/2017/03/16/ARTIK16xZrqgww8aFiwGmoBa170316.shtml>

In 2018, China hosted the ‘First Trade Fair on Syrian Reconstruction Projects’ with over 1,000 Chinese companies attending and pledging \$2 billion for the construction of industrial parks.<sup>16</sup>

### **China’s security concerns from Syria**

Assad’s ability to regain control of most Syria, with the exception of the rebel-held north-western region of Idlib, created not only economic opportunity but also heightened already existing Chinese security concerns. As Syrian government forces rolled back rebel fighters, China feared that their battle-hardened Uyghur and Central Asian contingent would gravitate towards Afghanistan, Tajikistan, and Pakistan from where it would be easier to target China. The presence of Uyghur fighters in Syria has been one driver for a brutal crackdown on Turkic Muslims in China’s north-western province of Xinjiang. It also persuaded China to step up border security cooperation with Tajikistan and Afghanistan, where militants of the Uyghur jihadist Turkistan Islamic Party, an al-Qaeda-affiliated group, allegedly fight alongside the Taliban.<sup>17</sup>

The Uyghur presence in Syria prompted China to consider sending Chinese troops to join the fight for Idlib in violation of its foreign and defence policies principles. China ultimately dropped the idea, which would have amounted to the People’s Republic’s first military intervention in recent memory beyond its borders.<sup>18</sup> Repeated unconfirmed media reports have, however, suggested that China has been sharing intelligence with Syria and has been sending military advisors to Syria for the past four years to help in the fight against Uyghur militants.

The discussion about an intervention followed a pledge in 2016 by Rear Admiral Guan Youfei of the People's Liberation Army Navy (PLAN) to increase military cooperation with the Syrian government. Two years later, Syrian state-controlled newspaper Al Watan quoted the then Chinese Ambassador to Syria, Qi Qianjin, and China’s military attaché, Wong Roy Chang, as saying that China wanted to contribute “in some way” to Syrian military campaign against the rebels in Idlib. The PLAN took nine days to deny Chinese interest in getting

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<sup>16</sup> Harvey Morris, China extends helping hands to rebuild Syria, China Daily, 10 February 2018, <http://www.chinadaily.com.cn/a/201802/10/WS5a7e4f48a3106e7dce13bee2.html>

<sup>17</sup> Caleb Weiss, Turkistan Islamic Party touts captured equipment, training camp in Afghanistan, The Long War Journal, 4 December 2019, <https://www.longwarjournal.org/archives/2019/12/turkistan-islamic-party-touts-captured-equipment-training-camp-in-afghanistan.php>

<sup>18</sup> James M. Dorsey, The battle for Idlib: A potential Catch-22 for China, The Turbulent World of Middle East Soccer, 8 September 2018, <https://mideastsoccer.blogspot.com/2018/09/the-battle-for-idlib-potential-catch-22.html>

involved in the fighting, calling the report a “misunderstanding.”<sup>19</sup> While supportive of efforts to negotiate an end to the Syrian war, China has studiously avoided taking a leading role. Its sole initiative to shape the outcome of the conflict was a four-point plan that never gained significant traction.<sup>20</sup> China’s dilemma in Idlib potentially lies in its reported offering for military support for the Syrian government in its Idlib offensive and simultaneous embeddedness in Turkish opposition to an all-out assault on Idlib because it would likely spark a refugee exodus towards its borders, whipping up Uyghur support for Turkish policy in Syria.

Turkey has long supported Uyghur rights and has frequently turned a blind eye to Uyghur militancy. An Uighur dressed in a Turkish military uniform and sporting an automatic weapon, claiming in a video clip posted on Twitter that he was fighting in the northern Syrian district of Afrin alongside Turkish-backed rebels, advised Han Chinese residents of China’s troubled north-western province of Xinjiang to leave the area. “Listen you dog bastards, do you see this? We will triumph! We will kill you all. Listen up Chinese civilians, get out of our East Turkestan. I am warning you. We shall return, and we will be victorious,” the Uyghur militant said.<sup>21</sup>

### **Syria in the wider Chinese Middle East policy**

Beyond its hesitancy of becoming embroiled in the Syrian war, China, despite its consistent backing of the Syrian government as a secular bulwark against extremism, feared that greater involvement in Syria could jeopardise its successful efforts to remain aloof in the conflict between Saudi Arabia and Iran that influenced multiple disputes in the Middle East. That fear has receded with states in the GCC ending their long-standing support for anti-government rebels and cosying up to the Syrian President in an effort to counter Iranian and Turkish influence. Chinese aloofness also shielded it from entering into direct competition with Russia and Iran in the post-war reconstruction phase. Deepening Chinese-Russian ties in the wake of the pandemic and perceived greater Iranian dependence on China may allow for a divvying up of the pie in ways that turn Syria into an important BRI node.

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<sup>19</sup> China News Net, Syrian media said that the Chinese army will intervene in the Syrian war (叙媒称中国军队将介入叙利亚战事 我驻叙使馆回应), 9 August 2018, <http://mil.news.sina.com.cn/2018-08-09/doc-ihhnunsq1226510.shtml>

<sup>20</sup> Reuters, China proposes new initiatives for Syria ceasefire, 1 November 2012, <https://www.reuters.com/article/us-syria-crisis-china/china-proposes-new-initiatives-for-syria-ceasefire-idUSBRE8A00I420121101>

<sup>21</sup> Al Masdar, Uyghur militant filmed with Turkish-backed rebels near Afrin, 15 March 2018, <https://www.almasdarnews.com/article/uyghur-militant-filmed-with-turkish-backed-rebels-near-afrin/>