



Qatar and Sino-American Rivalry

The Dilemmas for a Gulf Monarchy

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► Key Takeaways

- Qatar is increasingly confronted with a delicate equation: While the future of its economy is oriented toward China, the country's security and stability remain grounded in its strategic dependence on the US.
- The intensification of trade between Qatar and China has translated logically in diplomatic terms and more discreetly militarily.
- But Doha has not made a strategic shift toward Beijing. The volume of Chinese arms sales to Qatar lags far behind that of the two main suppliers of the Qatari army – the United States and France.
- Contrary to what a quick overview of geopolitical trends suggests, the Qatari-American relationship has not weakened, but strengthened in recent years.

Introduction

In March 2009, the former Emir of Qatar, Sheikh Hamad bin Khalifa al Thani, said, “China is coming, India is coming and Russia is on its way [...] I don’t know if America and Europe will still be leading.”¹ The announcement had prophetic tones, and gave perspective to the changes at work in the relationships of the Gulf monarchies and the great powers. Like all of its neighbors on the Arabian Peninsula, Qatar is increasingly confronted with a delicate equation: While the future of its economy is oriented eastward, and specifically toward China, the country’s security and stability remain based on its strategic dependence on the United States (US). Such a situation seemed sustainable, except that in the past decade the relationship between Beijing and Washington has deteriorated sharply, and is increasingly pushing US allies in Asia, Europe, and the Arab world to make a choice.

For now, each member of the Gulf Cooperation Council (GCC) has responded to this dilemma by avoiding it as much as possible, if not by ignoring it. Turning away from the opportunities that China offers is all the more difficult as Qatari policymakers, like their counterparts in neighboring countries, have watched with fear the turmoil in US regional policy, and in particular, the increasingly assertive US willingness to disengage from the Middle East. Last September, shortly after the calamitous US withdrawal from Afghanistan, the Pentagon announced that it would withdraw its Patriot missiles from Saudi Arabia, even as the Kingdom was facing Houthi ballistic attacks in Yemen.² The move further fueled the idea that Washington has now turned its focus on the Indo-Pacific zone.

The perception, on the one hand, of the inexorable rise in China and, on the other, of the advanced decline in America, is logically driving the thinking in Doha, as in the other Gulf capitals, about the need to rebalance its foreign policy toward Beijing.

In keeping with its objective of diversifying its political partnerships, Doha has taken care to broaden the framework of its trade with China. The relationship between the two countries has long been reduced to the question of China’s energy dependence. But this relationship has now grown, and the rapprochement is manifested not only by increasing trade and mutual investment, but also by the launching of projects that sometimes relate to the most sensitive area of security.

Yet a detailed study of the Sino-Qatari relationship, and especially its comparison with that between Doha and Washington, suggests a more ambivalent reality. For the time being, Qatar is making the most of its economic opportunities with China, but it is still in expectation of a strategic plan. The country has not been as far as Saudi Arabia and the United Arab Emirates (UAE) in intensifying its ties with Beijing; while since 2017 it has continued to strengthen its military dependence on the US.

1. “Emir Warns of Another Iraq if Sudan Sinks into Chaos”, *Gulf Times*, March 31, 2009.

2. “U.S. Pulls Missile Defenses in Saudi Arabia amid Yemen Attacks”, Associated Press, September 9, 2021.

China – The Backbone of Qatari Growth

Energy is still at the heart of the Doha-Beijing relationship. Responding to China's vast natural-gas needs (up by an estimated at 60% between 2017 to 2023), Qatar has become China's main supplier of liquefied natural gas since 2017, accounting for 35% of Chinese imports.³ Complementarity is also developing in terms of exploitation, with a rapprochement between Qatar Petroleum and PetroChina as well as Sinopec in the first half of 2021, in a project to expand Qatar's North Field.⁴

Economic trade between the two countries also affects other sectors, starting with infrastructure. Like its Emirati and Saudi neighbors, Doha aims to present itself as a regional partner for China's Belt & Road Initiative (BRI). A cooperation agreement between the two countries on the BRI was signed in 2014, while Qatar's modernization and diversification policies, as set out in the *Qatar National Vision 2030* development plan, aim to attract Chinese investors in this context.

China was also associated in 2011 with the project to develop the new Hamad port, which will eventually replace the current Doha port. The China Harbor Engineering Company won a \$879 million contract to start work.⁵ In addition, the China Railway Construction Corporation has been entrusted with the construction of the gigantic Lusail Iconic Stadium, which will be delivered for the 2022 football World Cup. During the same period, the Qatari sovereign wealth fund (the Qatar Investment Authority) increased its investment in China. In 2014, it signed an agreement with the Chinese firm CITIC Group Corp to launch a \$10 billion mutual fund to invest in Asian markets.⁶ Finally, like all the monarchies of the GCC countries, Qatar selected Huawei in 2017, to deploy the 5G network on its territory, alongside the local operator Ooredoo: This was despite American reserves that had indeed been passed on to Doha.

The volume of bilateral trade has in fact exploded over the last two decades, from €50 million in 1988 to €10 billion in 2020.⁷ The Qatar Chamber of Commerce and Industry has launched numerous initiatives to consolidate this trend. It has organized a "Made in China" exhibition every year since 2015, to enable Chinese companies to gain visibility in the local market. It has also signed cooperation agreements with several Chinese entities, including the International Chamber of Commerce for the Silk Road, operating from Hong Kong.

3. M. Zulfikar Rakhmat, "The Belt and Road Initiative in the Gulf: Building 'Oil Roads' to Prosperity", Middle East Institute, March 12, 2019, available at: www.mei.edu.

4. M. Xu and C. Aizhu, "Qatar Pivots to LNG-Hungry China in Strategy Shift", Reuters, May 12, 2021, available at: www.reuters.com.

5. "China Harbour and Engineering Wins Doha Port Deal", *Construction Week*, March 15, 2011, available at: www.constructionweekonline.com.

6. "Qatar Investment Authority, China's Citic Group Form \$10B Joint Fund", *Wall Street Journal*, November 4, 2014, available at: www.wsj.com.

7. M. Ibrahim, "Qatar Sees a 22% Growth in Trade Exchange with China", *Doha News*, May 25, 2021, available at: www.dohanews.co.

The intensification of these economic relations has logically led to more diplomatic ties as political consultations and visits have increased. In the past, Doha has hosted the ministerial meetings of the China-Arab States Cooperation Forum, while since his accession to the throne in 2013, Sheikh Tamim has traveled twice to China (in 2014 and 2019).

Finally, Qatari cooperation with China also has a relatively discrete military dimension. A cooperation agreement on counter-terrorism was signed in 2017. This agreement was announced shortly after Qatar's Saudi, Emirati, and Bahraini neighbors

Qatari cooperation with China also has a relatively discrete military dimension

imposed a blockade on it, in the name of alleged Qatari support for international terrorism. The document's main point was to indicate that Doha could count on the support of great powers such as China. In December 2017, during the celebrations of Qatar's National Day – the first during the blockade – the Qatari army demonstrated its short-range Chinese SY-400 ballistic missile. This was a surprising revelation of an arms transfer which had not been made public until then.⁸ From a military point of view, the showing-off of the SY-400s was a clear message to Saudi Arabia (which itself had acquired Chinese ballistic missiles in the 1980s),⁹ and to the UAE, at a time when intense speculation was circulating in the region about an invasion of Qatar by its neighbors.

All these factors would indicate a clear path toward Qatari-Chinese rapprochement. Its logic would self-evident: Recognizing the rise of Beijing in relation to Washington, Doha is taking care to expand its ties with this new great power. Nonetheless, a detailed analysis shows that while this trajectory is indeed at work economically, it is still far from being dominant politically.

Doha in the Expectation of a Political Rapprochement with Beijing

Beyond the glowing statements of Qatari and Chinese officials on the strength of the ties between the two countries, Doha has not made a strategic shift toward Beijing. Several factors point to the caution that is still in place in this process of rapprochement. First, security cooperation, strictly speaking, remains extremely modest. Despite the speculation surrounding the 2017 counter-terrorism cooperation agreement, it appears this accord has not yet led to extensive action.

Moreover, while the deployment of SY-400 missiles in Doha has attracted the attention of foreign observers, apart from this highly-visible gesture, China plays only a small role in Qatar's armament policy. According to data collected by SIPRI, the volume

8. M. Seneor, "Qatar Displays Chinese Missile", Arms Control Association, March 2018, available at: www.armscontrol.org.

9. In 1988, Saudi Arabia acquired China's Dongfeng-3 ballistic missiles. It only showed them publicly in 2014 during a military parade.

of Chinese arms sales to Qatar over the period 2010-2020, amounted to \$118 million. This was far behind that of Qatar's two main suppliers: the United States (\$3.325 billion) and France (\$2.1 billion). The main purchases by the Qatari military following the implementation of the 2017 blockade have been for western equipment (with an order of 24 *Typhoon* aircraft and 12 *Rafales* in the autumn that year). Doha has not purchased Chinese armed drones – at least publicly – as Saudi Arabia and the UAE did during the same period. By comparison, China sold \$205 million worth of arms to Riyadh and \$166 million to Abu Dhabi. While these amounts are higher, they remain quite modest.

The discrepancy between the intuitive perception that China is increasingly present in the Arabian Peninsula and the reality reflected in the figures thus requires nuancing the expectations of strategic rapprochement with respect to Qatar.

Ambiguity also marks the diplomatic situation. China wants to position itself in the region as an actor promoting stability through non-interference in other countries' internal affairs. Such a stance is logically attractive to the monarchs of the Arabian Peninsula who are tired of having to give American administrations guarantees about their progress on human rights. But this convergence of methods between the Gulf countries and Xi Jinping's China has its limits. The treatment of the Uyghurs is a revealing example of the caution with which Doha approaches its relationship with Beijing. Like many countries

Doha has not made a strategic shift toward Beijing

in the region seeking to build trust with China, Qatar initially limited itself to supporting the official Chinese position about this Muslim minority which is under close surveillance. In early July 2019, a letter signed by 22 countries (including France) was sent to the United Nations Human Rights Council denouncing the arbitrary detention and other rights violations perpetrated by Beijing in the Xinjiang region. A few days later, a second letter, this time defending the Chinese government, was issued by some 50 countries; Qatar signed it, as did all GCC countries. Yet, six days later, Doha overturned its commitment and withdrew its name from the letter supporting Beijing. Faced with questions about this volte-face, the Qatari Ambassador to the United Nations explained that the spirit of the letter supporting the Chinese government might have compromised his country's stated desire for neutrality. At the same time, the Qatari TV channel Al Jazeera amply covered the crisis by repeating the charges of genocide concerning the Uyghurs, and the channel regularly hosts humanitarian workers and activists on the ground. By contrast, Saudi and Emirati media have remained mostly silent on the issue.

These factors attest to the ambivalence with which Doha seems to be considering its relations with Beijing for the time being. While there is some rapprochement, it is mostly for business at present. Moreover, this coincides with another trend that would seem to be contradictory, namely Qatar's strengthening relations with the US.

Qatar Is Still in America's Orbit

While Qatar's rapprochement with China should allow Doha to diversify its partnerships, the Emirate has not turned its back on the US, which remains the country's core ally.

In terms of trade, volumes are lower than those recorded with China, but the US is still an indispensable trade partner for Qatar: trade flows were €7 billion in 2019. But a strong asymmetry in the relationships between Doha and the two great powers is especially marked in the strategic sphere. The numbers speak for themselves, beginning with political exchanges. As noted above, Emir Tamim has visited China twice since 2013, but he has visited the United States four times during the same period (twice in 2015, then 2018 and 2019).

Like the other small Gulf states that emerged after the United Kingdom's withdrawal from the region in the 1960s (Kuwait, Bahrain, and the UAE), Qatar has historically turned to Washington to substitute former British guardianship. This proximity was confirmed in the wake of the 1990-1991 Gulf War, which amplified the US military presence in the Gulf. A defense cooperation agreement was signed between Doha and Washington in 1992, and renewed for the first time in 2013, for a period of ten years. More important still, Qatar has been home to the US's Central Command's advanced headquarters since 2002, as well as

hosting America's main air base for the Persian Gulf (at Al Udeid). Accordingly, more than 10,000 American soldiers are still deployed today on Qatari soil: This contingent alone represents more than half the Qatari armed forces and its 16,500 troops.

Contrary to what a quick reading of geopolitical trends suggests, the Qatari-American relationship has not been eroded, but strengthened, in recent years. The reason for this lies less with Beijing than with changes in Doha's immediate neighborhood. The blockade imposed by Saudi Arabia, the UAE and Bahrain in June

2017 raised genuine fears of an invasion of the country, and Doha turned to Washington to prevent any escalation. The aim was to thwart the isolation of Qatar orchestrated by Riyadh and Abu Dhabi, by strengthening the US military presence in the country.

While former President Donald Trump's White House had close ties to Saudi and Emirati circles, Emir Tamim relied on his personal relations with then-US Secretary of Defense James Mattis (a former head of Central Command) and Secretary of State Rex Tillerson, a former chief executive of the Exxon oil company. For Emir Tamim and his entourage, only the reassertion of US support in Doha could really prevent an invasion. In the months following the Saudi-Emirati ultimatum, Messrs Tillerson and Mattis played a key role in promoting American neutrality on litigation within the GCC. Moreover, they invested heavily in formalizing a "strategic dialog" with Qatar, with a meeting held for the first time in January 2018, and serving primarily to reflect the depth of political exchanges.

Doha has played a key
role in US policies
concerning Afghanistan

In this respect, the level of consultation between Americans and Qataris on regional issues clearly supersedes that between the Qataris and Chinese on the same issues. Doha has thus played a key role in US policies concerning Afghanistan. Many rounds of negotiations between the Americans and the Taliban took place in Doha, and the peace agreement was signed in February 2020 in the Qatari capital. After the Taliban captured Kabul last August, the Al Udeid Air Force Base was also crucial to organizing the evacuation of more than 40,000 US personnel from Afghanistan.

Beyond the US, Doha also signed a security agreement with NATO, in early 2018, on the exchange of classified data. This is a long-planned technical agreement of little political significance, but one that the Qataris had been slow to sign. Qatar's Minister of State for Defense, Khaled Al Attiyah, took the opportunity to assert that Qatar's ambition was then to "become a member of NATO."¹⁰ This statement aroused some perplexity among the organization's officials, who were forced to recall the impossibility of such membership. But whatever the reality, the message was clear: Qatar intends to present itself as an essential ally of the Western camp in the region.

Moreover, as pundits carry on discussing America's continued disengagement from the region, Doha is proposing to Washington take charge of important works to expand the Al Udeid base, estimated to cost \$1.8 billion. This is one more way to signal clearly Doha's firm intention of remaining the US Department of Defense's privileged interlocutor in the region.¹¹ In view of the reduction of US bases in the region, this perpetuation of the US's regional headquarters in Qatar could confer a major advantage to Doha vis-à-vis its neighbors (Kuwait, Bahrain and the UAE), which are also planning to maintain Washington's presence on their soil.

Finally, Qatar's willingness to maintain its position in America's orbit is also visible in arms deals, which have more than ever asserted their status as a diplomatic lever. Sheikh Tamim's coming to power in 2013 was marked by a shift in the distribution of arms imports, not to China, but largely to the benefit of US defense manufacturers, which now control nearly 70% of the Qatari market. According to the State Department, outstanding military contracts in 2021 are close to \$25 billion – far ahead of Qatar's purchases of Chinese missiles.

10. B. Gerdziunas, "NATO Dashes Membership Hopes of Qatar", *Politico*, June 6, 2018, available at: www.politico.eu.

11. K. Katzman, "Qatar: Governance, Security, and U.S. Policy", Congressional Research Service, August 27, 2021, p. 15, available at: <https://sgp.fas.org>.

Conclusion

A review of Qatar's policy toward the Sino-American rivalry suggests that a more nuanced situation exists than a quick reading of major geopolitical trends would imply. To be sure, China has become a key economic partner for Doha, and its share of the Gulf state's trade is set to grow. But this expansion of trade has not to date led to a strategic rapprochement. On the contrary, recent years have been marked by closer ties, not with Beijing, but with Washington, particularly owing to the fallout from the blockade Qatar suffered between June 2017 and January 2021. The present situation is thus far from indicating a Qatari pivot toward China.

At the regional level, the country distinguishes itself from its Saudi and Emirati neighbors. They have moved forward much more in their cooperation with Beijing, particularly in areas of security and defense. The UAE, in particular, have been paying for this since the fall of 2020: While Abu Dhabi hopes to obtain authorization to purchase US F-35 fighter aircraft, the Department of Defense and some members of the US Congress have demanded clarifications about Sino-UAE military cooperation.¹² These sudden tensions led Anwar Gargash (Special Adviser to the President of the UAE) to worry publicly about a new Cold War climate, at the most recent World Policy Conference.¹³

The Gulf's strategies for Beijing and Washington are set to change

This contrast between the policies of Qatar and its neighbors also highlights the lack of coordination between members of the GCC on the attitude to take on Sino-American competition. These differences in approach among Gulf monarchies are fueled by historical rivalries between these countries' ruling families and the resulting distrust of anything resembling a common policy. In any case, the Gulf's strategies for Beijing and Washington are set to change. They will depend in part on ongoing arbitrations in the US on the future level of American engagement in the Middle East and the conditions that this will entail for local partners regarding their cooperation with China.

The ability of Qatar and all GCC countries to play their own cards in these power relations will also shape the future arrangements between the Arabian Peninsula and the great powers. Moreover, they could determine the relationships between the Gulf countries themselves.

12. Office of the Secretary of Defense, "Military and Security Developments Involving the People's Republic of China", September 2020; J. Gould, "US Senators Propose Roadblock for F-35 Sale to UAE", *Defense News*, April 17, 2021.

13. Z. Fattah, "Top UAE Official Warns on Risk of 'Cold War' Between China, US", *Bloomberg*, October 2, 2021.

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