



## The Sino-Iranian Relationship: Stronger than Ever

**OE Watch Commentary:** Since the 1950s, China has maintained deep economic, political, and social relations with Iran. The accompanying article highlights recent Western concern over demonstrations in Iran, and makes the point that China will likely not back any actions that the UN might take against the Middle Eastern country. The article offers some specifics on business ties between the two nations. For example, Chinese investments in Iran include a \$538 million railway deal; and a \$10 billion credit line extended to Iranian banks to finance water, energy, and transport projects. In addition, China National Petroleum Corporation may take over French company Total's stake to develop Iran's South Pars gas field, should Total comply with any imposed sanctions and leave the country. Iran is clearly an important source of energy and a major hub in China's Belt and Road initiative. With so much already invested between the two countries, it would go against China's interests to support any UN-imposed sanctions.

**End OE Watch Commentary (Hurst)**

*“China would not be affected by anything the US decided to push at the UN. China and Russia would also not agree to penalties for the Iranian government...”*

*“...unrest (in Iran) was unlikely to deter the country's biggest foreign investor, China..”*

**Source:** “Why China Could Double Down on its Support for Iran Despite US Calls for Action Over Freedom Protests,” *South China Morning Post*, 4 January 2018.  
<http://www.scmp.com/news/china/diplomacy-defence/article/2126729/why-china-could-double-down-its-support-iran-despite-us#comments>

*...unrest (in Iran) was unlikely to deter the country's biggest foreign investor, China, and could see it moving even closer to Iran...*

*Iran is a key player in China's “Belt and Road Initiative”, a massive plan to link China to Africa and Europe through trade and infrastructure.*

*One sign of this continued investment is state-owned China Railway Construction Corporation's announcement on Wednesday that it had sealed a 3.5 billion yuan (US\$538 million) railway deal with Iran.*

*... Chinese state-owned investment firm CITIC extended a US\$10 billion credit line to Iranian banks to finance water, energy and transport projects. China Development Bank followed that with another US\$15 billion loan.*

*China National Petroleum Corporation is also reportedly considering taking over French company Total's stake in a project to develop Iran's South Pars gas field if Total leaves Iran to comply with sanctions.*

*Yin Gang, a Middle East specialist at the Chinese Academy of Social Sciences, said China would not be affected by anything the US decided to push at the UN. China and Russia would also not agree to penalties for the Iranian government, he said.*



A 2016 meeting between Xi Jinping and Ali Khamenei, Supreme Leader of Iran.

Source: Official website of Ali Khamenei, [https://en.wikipedia.org/wiki/China%E2%80%93Iran\\_relations#/media/File:Ali\\_Khamenei\\_receives\\_Xi\\_Jinping\\_in\\_his\\_house\\_\(3\).jpg](https://en.wikipedia.org/wiki/China%E2%80%93Iran_relations#/media/File:Ali_Khamenei_receives_Xi_Jinping_in_his_house_(3).jpg), CC BY 4.0.