Journal of Economic Cooperation and Development, **34**, 1 (2013), 1-32

The Rise of China and Its Implications for the Muslim World

M. Moniruzzaman, *PhD*[1]

The contemporary economic rise of China is likely to affect the international politics and political economy in many ways. China's growth is multidimensional ranging from economic, military, education, scientific and technological. Economically powerful china will shift the epicenter of political power from the West to the east bringing a civilizational change. To maintain its economic, military and scientific growth, china will depend much on petroleum resources of the oil-rich countries around the world. Secondly, to maintain its strategic and military influence, china will use the Shanghai Cooperation Organization as a tool in the region. Because of geographic proximity to china, and changes in international relations after the September 11, the Muslim world countries are likely to develop closer relations with china to counter balance the Western influence on them.

Introduction

China's readjustment of its communist economic policies with capitalist market economy in the 1980s has led to notable developments that attract serious academic interests. Firstly, its rapid economic growth recently has turned it into the second largest economy in the world. As China booms economically and its global market-reach extends further, it has started pursuing an aggressive global economic diplomacy mainly in the form of resource-seeking investment. In this drive, China pays increasing attention on the oil-rich Muslim countries in Asia and Africa to meet its ever-growing energy needs. Secondly, concomitant to its economic growth, China has been experiencing a steady development in science and technology that is likely to make China one of the most

[1] Associate Professor Department of Political Science International Islamic University Malaysia Gombak, Kuala Lumpur 53100, Malaysia
mmzaman@iium.edu.my zamanmonir@hotmail.com

advanced countries in the near future. And finally, an economically and scientifically powerful China is increasingly becoming more assertive in its military might which is likely to cause a shift in the balance of power at the global level. These factors of a rising China are likely to influence its relations with regional and international powers in the future.

This paper attempts to assess probable implications of China's rise for the Muslim world. It argues that two particular factors namely, geographical proximity between China and many of the oil-rich Muslim countries, and strain relationship between the West and the Muslim world since the end of the Cold War are likely to make China and the Muslim world foster closer economic and strategic relations making the later a direct beneficiary of a rising China. The Muslim world is a common term used in this paper to include 47 Muslim majority countries in the world. Those countries are divided in regional clusters such as South and Southeast Asia (Afghanistan, Bangladesh, Brunei, Maldives, Malaysia, Indonesia, Pakistan); Central Asia (Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan); the Middle East (Bahrain, Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, Turkey, UAE, Yemen): north Africa (Algeria, Djibouti, Egypt, Eritrea, Libya, Morocco, Tunisia); west and Sub-Saharan Africa (Benin, Burkina Faso, Chad, Comoros, Gambia, Guinea, Guinea-Bissau, , Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leon, Somalia, Sudan). However, only major of these 47 economies will be discussed in this article.

Literature Review

Over the past one decade there has been an explosion of research on the rising China and its impact. These researches have dealt with various aspects of the issue that has generated serious academic debate in China as well as in the West. These literatures can be broadly placed in three categories. Firstly, the rising china as a global superpower that contains that China will become a dominant superpower in the 21st century with maintaining leverage of political, economic and military power throughout the world (Overhoult 1994; Bergsten et al. 2009; Martin 2009: Kim 2003; Turner 2009). A second category of literatures puts emphasis on the rising China as a threat and challenge to the American hegemony arguing that China will overpower the USA militarily and strategically in future (Kynge 2006; Fishman 2006; Sutter 2005).

However, there are some who argue that the rising China as a threat to the USA is a myth and implausible (Steinfeld 2010; Al-Rodhan 2007; Zhou 2007). Finally, a third category of the literatures focuses on regional implications of the rising China arguing that China's inroad into Asia, Africa and Latin American economies are putting it in loggerhead with other global powers paving the way for regional competition higher (Paz 2006; Meidan 2006; Ku 2006). These and many other studies focus on global and regional implications of the rising China in terms of economic, military, political and other strategic perspectives.

However, even though the issue of rising China has become some sort of a growth industry, the implications of the rising China for the Muslim world is almost missing in the academic discourse. The Muslim world is a special category in world politics that is a contested arena for the global powers such as the USA, Russia and the European Union. The countries in the Muslim world maintain super-power alliance according to their special interest and inclination which sometimes sway or become unstable. Especially, after the 9/11 incidents, relations between the Muslim world and the West has become shaky to the extent that the former is probably in search of an alternative to its existing Western allies. Does the rising China offer an opportunity to become as alternative? Though there are some studies on China's relations with individual or regional Muslim countries (Shichor 2006, 1979; Bin Huwaidin 2002; Calabrese 1991; Garver 2006; Zhang 1999), no work has looked at the implications of the rising China on the entire Muslim world. Therefore, such study is of special interest to explore a neglected aspect of the Rising China. The remaining parts of the article are divided into two broad sections: the scope, extent and implications of the rising China on a global plain; and the implications of it on the Muslim world.

The Scope of China's Rise

The scope of rising China can be estimated by looking at its socioeconomic and scientific growth performance during the past two decades. The 14th National Communist Party Congress in 1994 announced a ten-year policy called "socialist market economy" which fuelled the engine of contemporary growth. The consequence of the policy reflects in its achievements. According to the World Bank (2010) report, in 2009 China's Gross Domestic Product (GDP) was $4,985.461

million, ranking third in the world after United States (14,119,000) and Japan (5,068,996), registering annual growth rate at 9.5 per cent; its GDP income per capita increased from $293 in 1985 to $3,650 in 2009. China registered a steady annual economic growth rate at an average of 10 per cent during the period 1990-2007. Compared to other major economies China's economic growth is impressive (see Table 1).

The most productive sector has been the industry. With a growth rate of 22.9 per cent, China's industrial sector has registered 48.9 per cent growth followed by services (39.3) and agriculture (11.7). The socialist market economy principle has created over 2,000 special economic zones (EPZs) attracting increasingly higher flow of foreign direct investment (FDI).

China's foreign exchange reserve stood at over $ 2.8473 trillion by the end of 2010, the largest in the world. Foreign Direct Investment (FDI) inflows in 2009 reached to $94.1 billion which is more than double of 40.7 billion in 2000, its trade balance was $259.5 billion well ahead of Japan's $82 billion as against $38.3 billion US trade deficit (World Bank 2010).

In international trade, China became the third biggest trading nation after US and Germany. In 2009, China's current account balance was $297.1 billion ranking number one in the world, compared to Germany $160.627 (2nd) and Japan's $149.731 (3rd). China's annual average growth of its export volume over the past 20 years has surpassed other major economies such as Japan, USA, UK and France (see Table 2).

According to the World Bank (2006), China's contribution to global economic growth is likely to surge from 12 percent in 2008 to 30 percent in the current decade (Business Week 2010). The country's rapid economic growth attracted major multinational companies, investment groups and security firms with investment in China's manufacturing, financial and service sectors. Observing China's contribution to global economy, Goldman Sachs has estimated that by 2030, the so-called BRIC economies (Brazil, Russia, India and China) will overtake those of Western Europe and North America.

China's economic growth is fuelled by its human resource development. For human development, the Chinese government in its 9th Five-Year

Plan in 1995 made a comprehensive education plan with "three orientations"- orientation towards modernisation, the whole world, and the future (MOE, 1995). This philosophy of education speaks for the visionary civilisational outlook for the future. The plan envisioned establishment and development of educational facilities that would, by 2010, ensure enrolment of 135 million primary school students, 21.35 million secondary school students, and increase of Higher Educational Institutions (HEI) to over 2000 which would enroll 6.5 million students. The plan targeted that "among every group of 100,000 population, the number of students in HE will be increased to 500 and 85% of the people aged 18-21 will be enrolled in HE. Among the students of HEIs, 6.3 million will be undergraduate students and sub-degree students and the annual growth rate will reach 2.8%. Postgraduate students will increase to 200,000 with an annual growth rate of 6.6%. Students enrolled in regular HEIs will reach 3.6 million with an annual growth rate of 3.8% and those in adult HEIs will reach 2.8 million with an annual growth rate of 1.7%" (MOE, 1995). This huge army of higher educated population will create an enormous stock of human capital for the country. By 2030, the country is expected to have millions of PhD holders in various fields of study. Increase in the levels of education and income will have an enormous impact on social mobility such as ownership of cars, urban residency and creation of virtual network community (see Table 3).

China's education system is not only ethnocentric in the sense that its higher education in the 21st century will be with Chinese characteristics, but is increasingly becoming globalised and internationally recognized. According to the Chinese Ministry of Education, by the year 2000, China had "educational cooperatives and exchange relationships with 154 countries and areas, sent 300,000 students abroad for study to more than 100 countries and areas, received 210,000 foreign students from 160 countries and areas, sent 1800 teachers and experts to teach abroad and employed 40,000 foreign teachers and experts" (MOE, 2008). China has Agreement on Equivalence of Academic Degrees in Higher Education with eight east European countries, Germany and the UK, Australia and New Zealand. Educational agreement with the Western developed countries has opened up a more free flow of knowledge benefiting the rising China. Countries like the USA, Australia, Canada and New Zealand are among the major destinations for Chinese students. According to the education ministry of China, the estimated

Chinese students studying in these countries alone are 200,000 in the USA, 35,000 in Canada, 35,000 in Australia and 40,000 in New Zealand. The Chinese educational, scientific and economic growth and its future prospect has allured major multinational companies such as IBM, SUN Microsystem, Intel, CISCO, Motorola, Lucent, and Texas Instrument to invest in education in the form of scholarship and research grants to Chinese universities. Available data indicates that by the end of 2003, the amount donated by these companies reached 2.6 billion Yuan (MOE, 2008).

Rise of China in Global Competition

With its steady growth, China's presence at the global level is becoming more and more competitive, and considered an economic, political and military rival to the major powers.

Competition over Global Market

The rising China's access to global market became more aggressive with its accession to the World Trade Organisation (WTO) in 2001. In today's world, competition over global market is commensurate with domestic growth. China's current and projected domestic growth over the next 40 years is expected to be on the rise implying that its share of the global market is going to increase proportionately.

China's position in global competition is strengthening rapidly compared with major economies (Table 4). In 2009, it emerged as the largest trading nation in terms of merchandise export and second largest in terms of merchandise import, and its annual average growth in international trade surged by 17 and 15 per cent in export and import respectively, highest in the world. China's share in world exports has surpassed all other established economies, and in commercial service exports China is rapidly achieving the level of the developed economies which is evident in its surpassing of France, Germany and the UK in industrial properties patent grants in 2009. Earlier in 2007, China's share in world clothing exports jumped to 34 from 18 per cent in 2000, compared with the EU's (27 countries) jump to 30 from 29 per cent. In 2007, China ranked first (11.9 per cent) in world export and import of manufactured goods as a single economy. It became the world's topmost

exporter of office and telecom equipment (22.9 per cent) followed by Hong Kong (9.0 per cent) and USA (8.9 per cent).

Competition over Global Resources: oil and gas

The lifeline of China's economic growth, like for any other country, is energy, and therefore, China is desperate to secure this resource for the future (Constantine, 2007). During the next two decades the world energy consumption is expected to grow by 57 percent of which China and India will share 45 percent. China's energy consumption is expected to be doubled by 2030, amounting to $3.7 trillion worth of investment. China gets its energy from four main sources: coal (80%), hydropower (15%), petroleum (2%) and gas (1%). While it has a proven 334 billion tons of coal reserve, its domestic supply of oil and gas is far less than its increasing demand (Wei, 2007). Therefore, to meet its energy needs, China depends on oil-rich countries, especially in Africa and Asia (Table 5). Its policy reads, "We need to take all possible measures to conserve oil, accelerate exploration of oil and natural gas resources, and make effective use of overseas resources" (Keisow, 2004). And in so doing China regards only business interest. "No matter if it's rogue's oil or a friend's oil, we don't care. Human rights? We don't care. We care about oil. Whether Iran would have nuclear weapons or not is not our business. America cares, but Iran is not our neighbor. Anyone who helps China with energy is a friend" (WP, 005). China's strategic oil reserve policy for 100 days by 2020 from its current storage capacity of 25 days further indicates its importance of imported energy. (In comparison storage capacity of other major economies are Japan 171, Korea 78, US 34), Germany 90, France 55, EU 90 days). Apart from relying on these energy sources, China is also rapidly resorting to nuclear energy. According to World Nuclear Association report (2011), currently China has 13 nuclear power stations in operation (which contribute 1.4% of total demand), 77 stations are under construction (of which construction on 27 has already started) and an additional 72 power stations are proposed. These power stations are expected to produce 400 GW by 2050.

To secure petroleum flow to the country, China follows a two-pronged economic diplomacy with natural energy-rich countries. One form of this diplomacy is global which involves petroleum and gas resource-seeking investment. The Forum of China Africa Cooperation (FOCAC)

is an example of this policy through which China invests in many oil-rich countries in Africa. The second form of diplomacy is regional, and military cum economic in nature. The Shanghai Cooperation Organisation (SCO), also known as the Shanghai Five, is an expression of this strategy. Through SCO, China ensures regional military security and stability in the Central Asian countries. It is through the same SCO forum that China extracts economic benefits of oil and gas flow from these countries. Apart from these two particular regions, China also invests heavily in the energy sectors of the oil-rich Gulf and Latin American countries such as Saudi Arabia, Kuwait and Venezuela. An elaborate explanation of the use of FOCUC and SCO diplomacy is in order in the following section.

Forum of China Africa Cooperation (FOCAC)

The FOCAC, launched in Beijing in 2000, is instrumental in fostering closer bilateral relations with 48 African countries which have proven natural oil and gas reserves. Following its second ministerial conference in Addis-Ababa in 2003, FOCAC achieved an impressive expansion which led to the Beijing Summit in 2006. This summit was the largest international summit in China, largest African summit outside of Africa, and the first and largest summit between a single host country and a continent of 48 countries, proclaiming the establishment of "a new type of strategic partnership" between China and Africa. The Beijing summit offered to achieve "political equality and mutual trust, economic win-win cooperation and cultural exchange" (CAF). Issued in January 2006, "China's Africa Policy" mentions four broad principles and objectives: (1) sincerity, friendship and equality; (2) mutual benefit, reciprocity and common prosperity; (3) mutual support and close cooperation; and (4) learning from each other and seeking common development. The 'policy' includes cooperation in political, economic, education, science, health, social aspects, and peace and security issues encompassing 30 different areas (CAF).

The success of economic diplomacy between China and Africa during 2000-2006 is worth noting. The two-way trade between China and Africa reached US$12.389 billion in 2002, an increase of seven times from US$1.44 billion in 1991. The import on the Chinese side alone accounted for US$5.427 billion and its export was US$6.962 billion. At the Beijing summit the Chinese Premier proposed to push the trade

volume to reach US$100 billion by 2010 which was more than double the 2005 volume of US$39.7 billion. Indeed, in the first nine months of 2006, China-Africa trade surged to 40.6 billion which shows a 42 percent yearly increase resulting in achieving $106.8 billion by 2008 surpassing the target of $100 billion to be achieved by 2010. With trade volume increased, China has been offering financial concessions to its counterparts. For example, during the first ministerial conference in Beijing in 2000, China cancelled US$10.5 billion debt of 31 African countries. During the Beijing summit in 2006, China further committed US$3 billion of preferential loans in next three years and exempted more debts owed by the African countries. During the summit, Chinese and African companies signed 14 agreements worth US$1.9 billion. As a result of closer cooperation, there are currently more than 800 Chinese companies working in the African continent.

Closer cooperation between China and Africa is also evident in other important areas. Since 2004, China has trained more than 11,000 African professionals in trade, agriculture, forestry, fishery, public health, telecommunications, education and environmental protection. China offers 1,200 government scholarships to African students every year, and by 2005 a total of 18,919 scholarships had been granted for higher education. China has established six Confucius Institutes in nine African countries to teach Chinese language and culture, and introduced 60 assistance programmes in 25 countries to develop basic infrastructure.

Among the African countries that received most attention from China are the oil-rich countries such as Algeria, Angola, Chad, Morocco, Nigeria and the Sudan. By far Sudan received the highest Chinese investment in oil sector. The China National Petroleum Corporation (CNPC) acquired 40 percent share in the Greater Nile Petroleum Operating Company (GNPOC) of Sudan in 1996 for US$441 million. Between 1996 and 2005 the CNPC has invested US$3 billion in Sudan, out of which a US$1 billion was invested to build a 1506 km long export pipeline that started operation in June1999. In 1999, China's CNPC invested US$540 million sharing half the total cost of a new refinery, the largest in Sudan, together with Sudan's Energy Ministry. China provided engineering and technical expertise and equipments in the two investment projects, as well as in the building of Port Bashir – a two million ton oil terminal south of Port Sudan. The CNPC and China

Petroleum and Chemical Corporation (Sinopec) invested in the Sudanese Petrodar Operating Company (PDOC) and bought 47 percent of its share. China Petroleum Engineering and Construction Group is building oil terminals worth US$215 million in two new sites in the Melut Basin in Sudan. Since Sudan accounts for about 7 percent of the Chinese oil imports and with one of the largest unexploited oil resources in Africa, Sudan is likely to continue greater attention and investment from China.

Apart from Sudan, other oil and gas-rich countries in Africa are also attracting Chinese investment. In January 2005, the state-owned Chinese energy company, China National Offshore Corporation (CNOCO) Ltd., bought a 45 percent stake in an offshore oil field in Nigeria for $2.27 billion (Taylor, 2007). The extent of Chinese global competition for oil and gas is representative of the fact that the top three Chinese oil companies (CNPC, Sinopec and CNOOC) have invested and are engaged in oil production in 22, 18 and 9 countries respectively in Africa, Middle East, Central Asia, East and Southeast Asia and North and South American countries.

It is not that the Chinese investment in oil industries abroad is to drain oil to China alone but to compete with oil giants in the global market. In terms of output capacity, the three top Chinese companies- PetroChina Co. Ltd (CNPC), Sinopec and CNOOC Ltd., are ranked 5th, 30th and 38th respectively at the global level. These companies are increasingly trying to get bigger share in the global oil market through open bidding and not by military and political manipulation that Western countries like the United States use. A classic example of strong presence of Chinese companies in the global oil market is demonstrated by the Chinese SINOPEC attempt to buy the American UNACOL with highest offer, though prevented by the American government intervention.

Competition over Geo-strategic and Political Influence

The Shanghai Cooperation Organisation (SCO)

China has been asserting its geo-strategic clout in the east and central Asian regions through various forums, especially the Shanghai Cooperation Organisation (SCO), otherwise known as the Shanghai Five. Officially founded in 2001 by six countries- China, Russia,

Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan – the SCO was primarily initiated with military and security objectives by five countries, excluding Uzbekistan, in 1996, in the wake of the rise of Islamic militancy in Afghanistan and Central Asia. Its five Cs objectives - confidence, communication, co-operation, coexistence, and common interest, over time have broadened to include economic dimensions as well (Chung, 2004).

The SCO is a useful tool that China can conveniently use for rival power play. Through it, China can counter and reduce the US and Russian geo-political, geo-strategic and geo-economic influence in the Central Asian region. The significance of this power rivalry is conditioned by the increased US military presence in Uzbekistan and Kyrgyzstan since 1994, especially after the September 11 incident. Both Russia and China, the two super powers and members of SCO, are uncomfortable with the US military presence in their close proximity which resulted in issuing a declaration by the SCO in July 2005 calling for the United States to set a timeline for its military withdrawal from the region. China views the American presence in the region as its military strategy to contain China. So, geo-politically, through the SCO China wants to counter security threats to it (Jia, 2007). In addition to military concern, China's geo-economic interest in the region is already explained in its relations with Kazakhstan and Uzbekistan. Apart from these two countries, China also maintains increasing economic ties with Kyrgyzstan and Tajikistan. And finally, geo-strategically China wants to control the three evils of separatism, fundamentalism and terrorism that the Muslim people of the Uighur province of China and a vast number of Chinese diasporas in the neighbouring member countries are engaged in. Furthermore, an additional geo-strategic advantage of a peaceful central Asia for China is its desire to construct oil pipelines through Pakistan to bring oil home at a cheaper cost (Sheives, 2006).

Competition over Military, Science and Technology

Chinese advancement in military, science and technology has been outstanding during the past few decades. Rapid growth of China needs to be sustained by skilled intellectuals and scientists that become the core of Chinese modernisation and development. China's expenditure on science and technology and its growth of Research and Development (R&D) personnel has brought the country among the top ranking nations

in the world. On a global scale, in terms of R&D expenditure China ranks 6th, in terms of R&D personnel it ranks 7th, in terms of acquiring patents on invention it ranks 5th, and in terms of global percentage of publishing scientific articles it ranks 2nd (Table 6).

A cursory look at Chinese military expenditure is indicative of its staggering arms build-up (Table 8). According to Stockholm International Peace Research Institute (SIPRI) estimate, in 2009 China's military expenditure was 98,800 millions (2.0 per cent of GDP) which was increased from 31,200 millions in 2000 and 17,500 millions (2.6 per cent of GDP) in 1990. As such, in 1990 China had the lowest expenditure on military compared with other top spenders- USA, Russia, UK, France and Germany where USA had the highest expenditure (504,534 millions). But in 2009, China became the second biggest spender (about 100 billions) in the world after the USA (663 billions). One of China's most recent successes in military technology is its demonstrated capacity in 2007 to launch and kill defunct spacecrafts in the space from the ground. The modernization of China's arms build-up has also made China a leading arms supplier to the world. According to SIPRI data, China consistently maintained its position as seventh out of top ten arms exporting countries during 1990-2009 (Table 9). China has become a competitive supplier of conventional and sophisticated arms such as light weapons, small firearms, anti-ship, and surface-to-surface missiles. Countries like Burma, Pakistan, Sudan, Saudi Arabia and Zimbabwe are major destinations of Chinese weaponries (Weitz, 2008). Though such type of arms transfer does not yield much revenue, it gives China leverage over these countries under international embargo to access important energy and raw materials.

The most spectacular development is China's science and technology, especially space technology. The space technology program, launched in 1956, has made China a leading global competitor. Currently China ranks among the most advanced countries in space technology fields such as satellite recovery (ranks 3rd in the world), rocket with cryogenic fuel, multi-satellite launch with a single rocket, strap-on rockets, launch of geo-stationary satellites and TT&C (ranks 5th), remote sensing satellite, telecommunication satellites, and manned spacecraft missions (SCIO, 2000). China's first success in launching unmanned experimental spacecraft- "Shenzhou"- in 1999 symbolised a breakthrough in indigenous space technology. The Chinese government

maintains an ambitious and visionary outlook in "The National Guideline for Medium-and Long-term Plans for Space and Technology Development 2006-2020" for its space industry (Chinaview, 2006). The guideline draws a "three-step" space programme: sending a human into orbit, docking spacecraft together to form a small laboratory and finally, build a large space station. The 11th Five-Year Plan (2006-2010) includes the launch of the country's first astronomy satellite in 2010 which will carry a hard X-ray modulation telescope to research black hole physics. As part of the program, China in 2003 became the third nation after the USA and Russia to put a man into orbit and in 2008 its third manned space mission successfully completed the country's first spacewalk (BBC, 2008). Analysts believe that China can land on the moon by 2020 breaking the US space hegemony (Rincon, 2008; Carl, 2007).

The formidable rise of China in its military, science, and technology is clearly shifting the balance of global power. In the year 2000, the US National Intelligence Council warned that, "China by 2015 will have deployed several tens of missiles with nuclear warheads targeted against the United States….[and] would seek to adjust regional power arrangement to its advantage…" (NIC, 2008). Such a possibility is justified by the American missiles and nuclear warheads stationed in Japan and South Korea. An influential policy paper has commented on the extent of Chinese military might in the 21st century saying that, "[t]he Middle East is just a blip. The American military contest with China in the Pacific will define the twenty-first century. And China will be more formidable adversary than Russia was ever" (Kaplan, 2005).

The Rising China and the Muslim World

How is the rise of China influencing its relations with the Muslim world? An analysis of the trend in China-Muslim world relations can indicate that the rise of modern China is clearly bringing it closer to the Muslim world in several ways. Firstly, as discussed earlier, China's insatiable thirst for energy is motivating it to reach out the oil-rich Muslim countries in the Middle East, Central Asia and Africa. Apart from China's oil and trade deals with Muslim countries in Africa, China depends heavily for petroleum on other Muslim countries namely Saudi Arabia, Iran, Kuwait, Oman and Qatar in the Middle East. In the

following discussion, particular focus is placed on some major economies of the Muslim world.

Saudi Arabia

With the establishment of formal diplomatic relations between the two countries in 1990, Saudi Arabia, the world largest petroleum exporter with proven crude oil reserves of 261.9 billion barrels, and China, with ever increasing demand for oil, developed strategic relationship gradually, commencing with Chinese purchases of Saudi Arabian crude oil. During the decade of 1990s, economic ties between Saudi Arabia and China grew considerably, particularly in the area of crude oil purchases, which reached a peak of 86,000 barrels per day in 1995. The Saudi oil flow to China surged enormously by 59 percent during 2005 following September 11 incident. This increase in oil trade brought the two countries even closer so as to sign a cooperative agreement in January 2006 which made KSA the largest crude oil provider to China. The agreement also made KSA the largest trade partner and second largest export market for China in the region of West Asia and Africa. As a result, the bilateral trade relation that was below $2 billion in 1999 rose to $15 billion in 2005, and by 2010 it was expected to reach $40 billion (Hurst, 2007). In retrospect, Saudi Arabian companies are investing heavily in China recently. The Saudi Basic Industries Corporation has invested US$1 billion to build a petrochemical plant in China (PINR, 2007).

Apparently economic market and opportunities strengthened their relations further through frequent high profile diplomatic and state visits during 2009. During such visits the Chinese companies altogether completed US$7.95 billion of contracting project and labor services cooperation in Saudi Arabia. There were 82 Chinese-funded enterprises and 19,000 Chinese staff in Saudi Arabia. In 2009, the two sides signed 35 new agreements including the Makkah light railway and the Rabigh power plant with a total value of US$6.27 billion.

The extent of the relation is explicitly reflected in the trade relations between the two countries. The earlier target of $US 40 billion to be achieved by 2010 was already achieved well ahead by 2008 which created the prospect for setting a conservative goal of $60 billion by 2015 during the state visit of the Chinese Minister of Commerce in

2009. During the 2003-08 period, China-Saudi Arabia trade registered annual growth rates of 30 to 50 percent. In 2008, bilateral trade surged by 64.7 percent to $41.8 billion, two years ahead of the goal set in 2006. The growth rate was affected by the global financial crisis in 2009, yet its share in oil remained very high. China's crude oil imports rose by over 12 percent in 2008 to 800,000 barrels per day. During 2009, China's crude oil imports increased by 13.9 percent to 200 million tons. Apart from economic relations, cultural and religious cooperation is also on the rise. In 2009, China arranged pilgrimage to Saudi Arabia for nearly 13,000 Muslims.

Kuwait

Kuwait is another Muslim country with which China's relations have improved tremendously since their establishment of diplomatic relations in 1971. But the depth of relations started to widen since 1990. From the Chinese side there are at least 17 high profile state visits registered to Kuwait during 1989- 2008, while 21 similar Kuwaiti visits were made during 1990-2009.

According to Kuwait News Agency (Kuna), trade volume between Kuwait and China reached to $2.8 billion during 2006 and 2007 which was one-fifth of the total trade between China and the GCC states ($15bn) during the same period. The volume increased in 2008 to US$6.78 billion, of which the Chinese export was US$1.74 billion, and import US$5.04 billion. Kuwait has been the largest supplier of preferential official loans to China among Arab countries. From 1982 till now, the Kuwait Fund for Arab Economic Development had provided China with US$ 810 million of loans on favorable terms. In 1998, the Kuwaiti Government donated a total of US$3 million of cash to the Chinese Government when China suffered from serious floods.

Recently, the Kuwaiti government and three Chinese companies signed an agreement on the first phase of construction of a 35 kilometer long sea bridge valued at Dhs1.8bn (KD117.7m) linking the island of Boubyan with the Kuwaiti mainland. One the other hand, Kuwait has built a $5 billion refinery and petrochemical industry in China in 2010, the National Bank of Kuwait has opened a representative branch in Shanghai, a Kuwait-China Investment Co. (KCIC) is established in 2005 with a total share of $ 300 million, the Kuwait Investment Authority

owns a large share in the Industrial and Commercial bank of China, and Kuwait has been the largest supplier of preferential official loans to China among the Arab countries.

Iran

China maintains special economic relations with Iran with multibillion dollars of investment, of which the most recent is the US$2 billion dollars deal signed in 2007. China could not be deterred by the Iran-Libya Sanction Act (ILSA), 1996 of the USA that even penalises foreign companies for investing in Iran over $20 million. The two countries have even come closer. China said to have imported 170,000 bpd of oil from Iran in 2000, which jumped to 244,000 bpd in 2006. And according to a recently signed agreement, Sinopec of China is to buy 250 million tons of liquefied natural gas from Iran over the next 30 years (Hurst, 2007). Furthermore, Iran is the first Muslim country where Chinese automaker Cherry has invested $375 million to open a production base (Gundzik, 2007).

Probably the most important Chinese partner in the Muslim world is Iran. Despite Iran being under international sanction since long, its extensive economic relation with China continued to grow. This is substantiated by the fact that more than 100 Chinese state owned companies operate in Iran. Compared to just $400 million trade transactions only 15 years ago, China became Iran's top most trade partner in 2009 with bilateral exchange totaling $21.2 billion which is expected to reach $200 billion by 2020.

The most thriving sector is energy which earns about $16 billion annually for Iran. Chinese firms have signed $12 billion contracts in the Iranian hydrocarbon sector during 2005-2010. China's massive interest in Iran's energy sector is evident in the following development such as in 2008, the China National Petroleum Corporation (CNPC) and the National Iranian Oil Company (NIOC) signed a $1.76 billion deal to develop Iran's North Azadegan oil field, which could produce upwards of 75,000 barrels of oil per day by 2012. In March 2009, Iran and China signed a $3.2 billion gas deal, in which Iran's LNG and a Chinese-led consortium agreed to construct a pipeline to extract some 10 million tons of liquefied natural gas from phase 12 of Iran's South Pars gas field. Soon after, in June 2009, CNPC inked a $5 billion deal with NIOC to

help develop phase 11 of the field. The project is designed to produce roughly 2 billion cubic meters of gas and 70,000 barrels of gas condensates daily. CNPC replaced the French energy giant Total after it withdrew from the project. In addition, between July and November of 2009 various state and private companies of China have signed investment deal in the energy sector totaling $58.5 billion. The trend continues well in 2010 in efforts such as Chinese interest in Iran-Pakistan-India (IPI) gas pipeline, and its 300% increase in presence at Iran's 15th International Oil, Gas, and Petrochemical Exhibition in April 2010

Apart from energy sector, Chinese investment in Iran's other economic sectors is rapidly increasing. In May 2009, at a joint economic conference in Tehran, the two countries signed a number of agreements totaling $17 billion in economic cooperation. The agreements stipulated that China assist Iran with its construction sector, host joint trade meetings, and develop Iran's railway system. Iran will also build a new trade center in China's majority Muslim Xinjiang province. Furthermore, Chinese officials have expressed their interest in expanding participation in the development of Iran's titanium deposits and mining infrastructure. According to Amir Talebi, an official with the Trade Promotion Organization of Iran, his country's principal exports to China consist of "propane, iron ore, polyethylene, aluminum, copper, marble, chrome ore, cast iron, lead, concentrated licorice, and sulfur." Talebi added that China assists Iran in building dams, shipyards, ports, airports, in mine-development, and oil and gas infrastructure.

In February 2010, Managing Director of the NIOC Seifollah Janshnaz encouraged China and Iran to conclude new agreements and went so far as to say that his government expects to see bilateral trade reach $50 billion in the "near future." Iran's ambassador to China, Mehdi Safari, reiterated the $50 billion goal in June 2010 while speaking at Iran's National Pavilion at the 2010 World Expo in Shanghai. According to the ambassador, trade ties will have to enter into "a new phase" in order to reach the ambitious goal. Safari has made even more grandiose predictions in the past, saying upon his arrival in China in May 2010 that the value of bilateral trade could rise to as much as $200 billion by 2020.

Central Asian Muslim Countries

China has proposed a series of ambitious railroad projects that would connect the country's heartland with Central Asia, linking China with Iran via Kazakhstan, Uzbekistan, and Turkmenistan. In an effort to deepen transportation ties between the two countries, Iranian Minister of Roads and Transportation Hamid Behbahani met with Chinese Railway Minister Liu Zhijun in June 2010. During their discussions, the Chinese minister welcomed offers by Behbahani, who encouraged China to use Iran's rail network to connect its own to Europe

Apart from bilateral relations, the multilateral forum of SCO is also instrumental in bringing China and a number of regional Muslim countries closer. Under the framework of SCO, China has established extensive economic and trade relations with the resource-rich Muslim states in Central Asia, and particularly with Kazakhstan. Kazakhstan has grown to be an important player in the global oil market, having the Caspian Sea's biggest oilfields in its possession, with an estimated reserve of 29 billion barrels. China has been operating in Kazakhstan for 8 years as a foreign investor, foremost through CNPC which has been involved in several projects in the country. For instance, CNPC has acquired 60 percent of Kazakhstan's Aktobermunaigas Corporation, now known as CNPC Aktobe, in May 2004. The investment is considered as the most significant oil investment made by a Chinese company so far (Swanstrom, 2007).

In August 2005, CNPC closed a US$4.8 billion deal to acquire PetroKazakhstan (PK), a Canadian based oil company operating in Kazakhstan. PK is one of the biggest operators in the country and CNPC's purchase of the company is indicative of China's solid presence in Kazakhstan. PK's production arm is also located near the Chinese border making it strategically close to the fast growing market in China. By purchasing PK, CNPC gets access to a good refinery, as well as reserve and production facilities, and the oil can be transported through the jointly built pipelines (Cohen, 2006). Together with KazMunaiGaz – Kazakhstan's state oil company – CNPC has undertaken construction of a grand pipeline called the Atasu-Alashankou pipeline. The first two sections of the pipeline, Aktobe-Atyrau (Kazakhstan), and Atasu (Kazakhstan)-Alashankou (China), are already completed and started shipping 50,000 bpd to since July 2006. The final section of the pipeline,

Kenkiyak-Kumkol (Kazakhstan) will connect the earlier two sections by stretching the grand line over 3022 km. Similarly, the Chinese CNPC has signed a $600 million deal with Uzbekistan's Uzbekneftegaz and joined a consortium of Malaysian, South Korean and Russian companies to carry out exploration near the Aral Sea.

Indonesia and Malaysia

China and the two major Muslim countries in Southeast Asia namely Indonesia and Malaysia also enjoy intensive economic and strong political relations. Despite their long diplomatic relations, Indonesia and Malaysia have experienced stronger economic relations only in recent decades. In the case of China-Indonesia relations, rather an opposite trend is noticeable. Indonesia's investments in China are nearly 20 times more than China's investments in Indonesia. According to Chinese government statistics, Indonesia's investments in China totaled up to 970 projects with contract value of US$ 2.024 billions till March of 2003. On the other hand, China has opened in Indonesia 60 non-trading joint ventures and enterprises under joint management, with their investment totaling US$ 0.27 billions (Ministry of Commerce of the People's Republic of China 2004). In June of 1996, the Chinese People's Insurance Company opened a branch in Jakarta. In April of 2003, Bank of China reopened its branch and business in Jakarta.

As usual, in Indonesia also Chinese investment is increasingly moving to energy sector. In January of 2002, CNOOC has inked a deal worth $585 million for the Indonesian oil operations of Spain's Repsol-YPF. It makes CNOOC the largest offshore oil producer in Indonesia. In February of 2004, CNOOC succeeded in buying 20.77 percent of British BG's shares in Muturi Ltd at a price of US$ 9.81 million and CNOOC became the biggest stockholder of Muturi Ltd. In April of 2002, China's largest oil company, PetroChina made its first overseas purchase in Indonesia worth $216 million for American Devon Energy Corp.'s oil and gas operations in the country. So the increase in investment in recent years has taken place in the oil and gas sectors, valued at about US$ 1 billion.

Apart from petroleum and investment related transactions, a particular type of relation that is increasingly becoming stronger between China and the Muslim world is the military one. Besides Iran and Pakistan as being traditional recipients of Chinese military weaponry, more and

more Muslim countries are joining the list. Table 7 lists top five Muslim countries in terms of quantity of weapons purchased from China during 1990-2009. In terms of quantity of arms ordered, Pakistan ranks first, followed by Bangladesh, Iran, Kuwait and Sudan. Among these countries, Iran and Sudan are under international economic sanction, and Pakistan and Bangladesh had been traditional recipients of Chinese arms since 1960s. Other Muslim countries that are recipients of Chinese arms are such as Saudi Arabia, Nigeria, Niger, Gabon, Egypt, Indonesia, UAE and Iraq.

Implications of the Rising China for the Muslim World

There is an old Arabic-Islamic saying that states "seek knowledge, even if it takes to go to China." This saying implies that China was long known to the Muslim world for its civilizational prosperity, knowledge and development. It also implies that fostering closer relation with China was encouraged at least for knowledge, technology and scientific purposes. What are the likely implications of the rising China for the Muslim world today? There are a number of observations that can be made. First, as china rises globally, its share in trade and investment is also rising significantly with the Muslim world. However, China's closer relationship with the Muslim world has not gone un-noticed by other major power. The China-Africa partnership initiative has drawn much attention from and created concern in the West (Swan, 2007). China is accused of pursuing colonial blueprint in Africa, and is criticised for bypassing human rights issues in economic relations with African countries (Large, 2006). For instance, Chinese investment in Sudan ignoring the Darfur issue is criticised by the West to an extent that some have even suggested boycotting the China Olympics in 2008 as protest of Chinese policy towards Sudan. Concurrently, some Western countries have been pressuring China to use its investment card to influence Sudan's domestic policy towards Dar Fur. However, Chinese policy towards Africa is clear – "no string attached" and "non-interference with domestic political issues." This policy of China has made its role all the more attractive, trustworthy and popular compared to Western aid with political strings attached such as democracy and human rights. The Muslim countries might find this approach of China an alternative avenue to foster greater cooperation with this emerging power and forge an alternative alliance.

Second, Chinese economic policies with Muslim countries in Africa and Asia are generally defined as "partnership," "political equality," and "win-win cooperation." China invests in these countries directly for infrastructural development instead of traditional set up of official development agencies. In this way, Chinese investment is considered to be more tangible, readily beneficial and economic in nature. Furthermore, China's investment and foreign aid to most of the Muslim countries usually require no political preconditions. While the Western powers have imposed economic sanctions on countries like Iran, Sudan and Syria on political grounds, the Chinese aid and investment flow is largely with no such string attached. In other words, China's investment is based on non-intervention in domestic affairs. This approach of China makes it more popular and acceptable in the Muslim countries as a reliable partner for development and friendship.

Third, the SCO has been fostering a closer tie between China and the regional Muslim countries which has generated much concern in the West (Bates, 2007). It is believed by some that in the wake of growing unilateralism by the US after the end of the Cold War, SCO is an attempt to counter the US influence in the Far East and Central Asia (Graham, 2007). The significance of the SCO has increased further due to the US-led invasion of Iraq which has created much distrust on USA and put the Muslim world at a greater risk. Therefore, while maintaining traditional relations with the US, the Muslim countries may find SCO more attractive to increase their collective power by aligning with an alternative power pole. Iran in particular appears to be very enthusiastic about forging such a relationship to counterbalance the US pressure on it. The Russian and Chinese insistence on using diplomatic solutions to Iran's nuclear issue, and their increasing investment in Iran have made the country rely more on Chinese and Russian friendship. Iran's intention to join the SCO can be interpreted as seeking for a multilateral institutional platform to counter the Western pressure. In this process, Iran is likely to deepen its relations with China creating stronger interdependency.

Finally, once China acquires trust and confidence of the Muslim world, it is likely to become an alternative source of arms acquisition for the Muslim countries given the astounding development of Chinese military and space technology. It is already evident that apart from China's special military relations with Pakistan and Iran, China's arms market is

fast growing in Africa and some gulf countries (Shichor, 2000). However, given all these developments and change in trend, the big question remains- will China maintain its neutrality and non-interfering stand in its developing relations with the Muslim world? This is a big question that China should keep into consideration so as to prevent itself from falling into a hegemonic imperialist risk.

Conclusion

The rise of China is clearly visible in the international political economy. It is becoming an economic giant with immense potential to surpass even the US economy. It has already surpassed the Japanese dominance, shifting the balance of power in the region. Its economic engagement with Africa is causing much irritation for certain countries in the West. China is becoming the largest single energy consuming country and much of its energy comes from the Muslim world. Not only gas and oil that are flowing to China from Muslim countries but petrodollars from the oil-rich Muslim countries are also finding China an attractive destination for investment. Above all, China is acquiring trust of the Muslim countries for being non-interventionist in their domestic affairs. Clearly, the Muslim world might increasingly find China as an alternative superpower patron to counter the influence of the West. If the present trend continues, the prophecy of Huntington on Islamic-Confucian alliance building in the process of Clash of Civilizations may not sound too fanciful in the future.

References:

Al-Rodhan, Khalid R. (2007). A Critique of the China Threat Theory: A Systematic Analysis. *Asian Perspective*, Vol. 31. No. 3, pp. 41-66.

Bates, Gill. (2007). Shanghai Five: an attempt to counter U.S. influence in Asia? Washington DC.: *Brookings Institute*, November 26.

BBC. (2008). Lift-off for China space mission. at http://news.bbc.co.uk/2/hi/science/nature/7634404.stm, 25 September.

Bergsten, C. Fred , Charles Freeman, Nicholas R. Lardy and Derek J. Mitchell. (2009) *China's Rise: Challenges and Opportunities*. Washington DC: Peterson Institute for International Economics.

Bin Huwaidin, Mohamed. (2002). *China's Relations with Arabia and the Gulf*. London: Routledge.

Businessweek. (2010). http://www.businessweek.com/news/2010-11-01/china-s-share-of-global-growth-will-soar-to-30-ubs-predicts.html.

CAF, China-Africa Forum. (2006) "Beijing summit adopts declaration, highlighting China-Africa strategic partnership,"from http://www.china.org.cn/english/features/China-Africa/htm and http://english.focacsummit.org.

Calabrese, John. (1991). *China's Changing Relations with the Middle East*. London: Pinter.

Carl, Hoffman. (2007). China's apace threat: how missiles could target U.S. satellites." July, at www.popularmechanics.com/science/air_space/4218443.html.

China Daily. (2007). China's Cherry to open auto factory in Iran. http://www.chinadaily.com.cn/china/2007-08/13/content_6024441.htm, accessed on November 14, 2007.

Chinaview. (2008). China's space activities in 2006. available at www.chinaview.cn, October.

Chung, Chien-Peng. (2004). The Shanghai Cooperation Organisation: China's changing influence in Central Asia. *The China Quarterly*.

Cohen, Ariel. (2006). The dragon looks west: China and the Shanghai Cooperation Organization." *Heritage Lecture* #961. Heritage Foundation, at www.heritagefoundation.org.

Constantine, Christian. (2007). Understanding China's energy security. *World Political Science Review*, 3(3), 1-30.

Fishman, Ted C. (2006) *China, Inc.: How the Rise of the Next Superpower Challenges America and the World*. NY: Sbribner.

Graham, Alex. (2006). China's military power: shadow over Central Asia. Arlington VA: Lexington Institute, (August), from www.lexingtoninstitute.org, accessed on December 19, 2007.

Graver, John W. ((2006). *China and Iran: Ancient partners in a Post-Imperial World*. Seattle: University of Washington Press.

Gundzik, Jephraim P. (2007). The ties that bind China, Russia and Iran. *Asia Times Online*, http://www.informationclearinghouse.info/article9057.htm.

Hurst, Cindy. (2007). China's global quest for energy. Washington: The Institute for the Analysis of Global Security," at www.iags.org, p. 8.

Jacques, Martin . (2009) *When China Rules the World: The End of the Western World and the Birth of a New Global Order*. NY: Penguin Press HC, The

Jia,Qingguo. (2007). The success of the Shanghai Five: interests, norms and pragmatism. *Journal of Contemporary China*, 5, 30-38.

Kaplan, Robert. (2005). How we would fight China. *Atlantic Monthly*, June.

Kiesow, Ingolf. (2004). *China's Quest for Energy*. Stockholm: Swedish Defence Research Institute. p. 40.

Kim, Samuel S. (2003). China's Path to great Power Status in the Globalization Era. *Asian Perspective,* Vol. 27, No. 1, pp. 35-75.

Ku, Samuel C. Y. (2006). China's Changing Political Economy with Southeast Asia: Starting A New Page of Accord. *Asian Perspective*, Vol. 30, No. 4, pp. 113-140.

Kynge, James . (2006) *China Shakes the World: A Titan's Rise and Troubled Future -- and the Challenge for America*. NY: Houghton Mifflin Company.

Large, Daniel. ((2006). A 'Chinese scramble'? the politics of contemporary China-Africa relations. Presented paper, *China Conference*, Sidney Sussex College, Cambridge 12-13 July.

Li, Minqi. (2009) *The Rise of China and the Demise of the Capitalist World Economy*. London: Pluto press.

Meidan, Michal. (2006). China's Africa Policy: Business Now, Politics Later. *Asian Perspective*, Vol. 30, No. 4, pp. 69-93.

MOE, Ministry of Education of the Peoples Republic of China. (1995). "The 9th 5-Year Plan for China's Educational Development and the Development Outline by 2010," available at http://www.moe.edu.cn/english/planning_n.htm

MOE, Ministry of Education of the Peoples Republic of China. (2008). "Higher Education in China," available at, www.moe.edu.cn/english/higher_h.htm, (accessed on December 10, 2008).

MOE, Ministry of Education of the Peoples Republic of China. (2008). "Educational Exchange between china and Countries in America and Oceania," www.moe.edu.cn/english/international_7,8,9.htm accessed on December 10, 2008.

NIC, National Intelligence Council. (2008). *Global Trends 2015*, at http://loyola.edu/dept/politics/intel/globaltrends2015.pdf.

Overholt, William H. (1994) The *Rise of China: How Economic Reform is Creating a New Superpower*. NY: W. W. Norton & Company.

Paz, Gonzalo S. (2006). Rising China's Offensive in Latin America and the U.S. Reaction. *Asian Perspective,* Vol. 30, No. 4, pp. 95-112.

PINR, The Power and Interest News. (2007). China's policy in the gulf region: from neglect to necessity. (www.pinr.com) Accessed on December 10, 2007.

Rincon, Paul. (2008). China 'could reach Moon by 2020. BBC news at http://newsvote.bbc.uk/2/hi/science/nature/750671.stm, July.

Rosen, Daniel H. and Trevor Houser. (2007). China Energy: A Guide for the Perplexed. Peterson Institute for International Economics, p.33.

SCIO, The State Council Information Office, Beijing, PRC. (2000). China's Space Activities. November, at www.astronautix.com/articles/chiities.htm.

Sheives, Kevin. (2006). China turns west: Beijing's contemporary strategy towards Central Asia. *Pacific Affairs,* 79(2), 205-24.

SIPRI (Swedish International Peace Research Institute). (2008). The SIPRI military expenditure database, from http://milexdata.sipri.org.

Shichor, Yitzhak. (2000). Mountains out of molehills: arms transfers in Sino-Middle eastern relations. *Middle East Affairs of International Affairs,* 4(3), 19-38.

Shichor, Yitzhak. (2006). Competence and Incompetence: The Political Economy of China's Relations with the Middle East. *Asian Perspective,* Vol. 30, No. 4, pp. 39-67.

_____. (1979). *The Middle East in China's Foreign Policy, 1949-1977*. Cambridge: Cambridge University Press.

Steinfeld, Edward S. (2010). *Playing Our Game: Why China's Rise Doesn't Threaten the West*. Oxford: Oxford University Press.

Sutter, Robert G. (2005) *China's Rise in Asia: Promises and Perils*. NY: Rowman & Littlefield Publishers.

Swan, James. (2007). China's expanding role in Africa: implications for the United States. Washington D.C.: CSIS, February 8.

Swanström, Nikolas. (2007). Chinese business interests in Central Asia: a quest for dominance. from http://www.asianananalyses.com, accessed on November 20, 2007.

Turner, Susan. (2009). Russia, China and a Multipolar World Order: The Danger in the Undefined. *Asian Perspective*, Vol. 33, No. 1, pp-159-184.

Taylor, Ian. (2007). Sino-Nigerian Relations: FTZs, Textiles, and Oil. *The Jamestown Foundation, China Brief*, from http://www.asianresearch.org/articles/3071.html

Wei, Hoang. (2007). Huge energy investment seen for China and India. *Oil and Gas Journal Online*, Nov. 14, 15-29.

Weitz, Richard. (2008). Global insights: world's arms trade surging, but for how long?" *World Politics Review*, 18 November 2008, online www.worldpoliticsreview.com

World Bank, The. (2006). *World Development Report 2006*. Washington: The World Bank.

World Bank, the. (2010). http://siteresources.worldbank.org/INTEAPHALFYEARLYUPDATE/Resources/550192-1287417391641/EAP_Update_Oct2010_Key_Indicators_Tables.pdf

WP, Washington Post. (2005). July 13.

Zhang, Xiaodong. (1999). China's Interests in the Middle East: Present and Future. *Middle East Policy*, Vol. 6, No. 3, pp- 150-59.

Zhou, Jinghao. (2008). Does China's Rise Threaten the United States? *Asian Perspective*, Vol. 32, No. 3, pp. 171-182.

Appendix

Table 1: A Comparison of GDP Growth of China with Major Economies

Economies	00-01	01-02	02-03	03-04	04-05	05-06	06-07	2017 (forecast)	2035 (forecast)
China	7.3	8.0	9.0	10.1	10.2	10.7	10.0	9.5	5.6
USA	0.3	2.4	3.1	4.2	1.0	2.8	2.2	2.8	
UK	2.2	1.8	2.2	3.1	3.2	2.9	-	-	
Japan	-0.6	0.3	2.7	2.7	2.6	2.2	2.3	1.6	
Germany	0.6	0.6	-0.1	1.6					
France	1.8	1.2	0.5	2.3	1.2	2.0	-	-	

Source: Compiled from *World Development Indicators*, *2003*, *2004*, *005*, *2006*, *2007*, and *2008*, Washington: The World Bank.

Table 2: Annual Average Growth of China's Export Volume Compared with other Major Economies

Economies	1985-95	2000-2008
China	15.1	20.5
Japan	2.4	6.0
France	8.2	3.5 European Union (27)
UK	4.6	
USA	5.1	3.5

Source: *World Development Indicators 2008* and *2009*, Washington D.C.: The World Bank, accessed online August 3, 2011.

Table 3: Projected Social Mobility in China by 2017 compared to Japan and USA

Economies	Possession of cars per 100 households	
	2006	**2017**
China	4.76	16.99
Japan	75.00	82.40
USA	87.52	89.18
	Urban population (% of the total)	
China	43.7	51.4
USA	81.1	84.1
	Internet users ('000)	
China	153,431	448,038
USA	182,779	219,851

Source: Compiled from *International Marketing Forecasts 2008*, 11th Edition, London: Euromonitor International.

Table 4: China's Rank in World Trade in Comparison with Major Economies, 2009

World Trade Items	Global Rank and Position					
	China	France	Germany	Japan	UK	USA
Merchandise Export	1	6	2	4	10	3
Merchandise Import	2	4	3	5	6	1
Commercial Services Export	5	4	3	6	2	1
Commercial Services Import	3	6	2	5	4	1
Annual Average % Change in Exports of Goods and Services 2000-2009	17	0	4	2	2	3
Annual Average % Change in Imports of Goods and Services 2000-2009	15	2	3	1	2	1
Share in World Total Merchandise Export	9.60	3.87	8.94	4.6	2.82	8.43
Share in World Total Merchandise Imports	7.91	4.40	7.28	4.34	3.80	12.62
Share in World Total Commercial Services Export	3.80	4.20	6.67	3.72	6.75	14.7
Share in World Total Commercial Services Import	4.92	3.92	7.86	4.75	4.90	10.40
Patent Grants of Industrial Property By Patent Office	128489	10529	14435	193439	5428	167349
Trademark Registrationof Industrial Property by office	818633	4675	54542	103575	27642	178780

Source: Compiled from country data of the *World Trade Organisation* (WTO) available at http//:stat.wto.org/CountryProfiles, accessed August 3, 2011.

Table 5: Global Presence of Four Biggest Chinese Oil Companies

Items	CNPC	Sinopec	CNOOC	Sinochem
Year of establishment	1988	2000	1982	1950
Number of Countries operating in	33	26	12	
Revenue 2009 (USD Million)	165 496	187 518	30 680	35 577
Profit 2009 (USD Million)	10 272	5 756	3 634	659
Assets (USD Million)	325 384	188 793	41 943	25 136
Employees	1 649 993	633 683	65 800	44 256
Spent on Merger & Acquisition, 2009	18.2 billion (13% of global total)			
Global Raking (Fortune 500)	10	7	252	203

Source: Compiled from Julie Jiang, Jonathon Sinton, *Overseas Investment by Chinese national Oil Companies: Assessing the drivers and impacts*, Paris: International Energy Agency, 2011; *CNPC Annual Report 2010*, *Sinopec Annual Report 2010*, *CNOOC Annual Report 2010* and *Sinochem Annual Report 2010*.

Table 6: China's Position in Science and Technology Research Performance, 2010

R & D	China	India	UK	USA	Germany	France	Russia	Japan
GRED*	1.5	--	1.8	2.8	2.6	2.0	1	3.4
Share in Triadic Patent**	1.1	0.14	27.0	49	12.1	5.0	0.13	28.0
Articles per million population	156	35	1250	911	820	800	176	635
World % of scientific articles	12	--	4.5	16	4.0	3.0	1.5	4.8
Researchers per 1000 employment	2.1	0.9	8	10	7.5	8.4	6.4	11

Keys:
*GRED- Gross Expenditure on Research & Development
**Triadic- European Patent Office (EPO), United States Patent and Trademark Office (USPTO), and Japan Patent Office (JPO)
Source: *OECD Science, Technology and Industry Outlook 2010*, http://www.oecd.org/document/12/0,3746,en_2649_34451_46658636_1_1_1_1,00.html, accessed August 3, 2011.

Table 7: Chinese Transfers and Licensing of Major Conventional Weapons to Top Five Muslim Countries, 1990 to 2010

Countries	Number of times order placed to china	Total quantity ordered to china	China granted license to make weapons	
			Number of times	Total number
Pakistan	29	2079	9	2172
Bangladesh	25	1180	--	--
Iran	13	605	7	2560
Sudan	8	110	--	--
Egypt	2	41	1	80

Source:

Generated from online SIPRI Arms Transfers Database, http://www.sipri.org/contents/armstrad/at_data.html, accessed 29 July 2011.

Table 8: Military Expenditure: A Comparison with Major Economies (US$ Millions, % of GDP)

Country	1990/GDP	2000/GDP	2009/GDP
USA	504,534 (5.3)	377,228(3.1)	663,255 (4.3)
China	17,500 (2.6)	31,200(1.8)	98,800(2.0)
Russia	266,000(12.3)	29,700 (3.7)	61,000 (3.5)
France	71,581 (3.4)	62,707 (2.5)	67,316 (2.3)
UK	68,669 (3.9)	54,055 (2.4)	69,271 (2.5)
Germany	72,902 (2.8)	51,487 (1.5)	48, 022 (1.3)

SIPRI: http://www.sipri.org/databases/milex

Table 9: SIPRI Trend Indicator Values (TIVs) of Arms Exports from the Top 10 Largest Exporters, 1990-2009 (US$ m. at constant (1990) prices).

Rank 1990-2009	Supplier	1990	2000	2009	1990-2009
1	USA	10495	7220	6795	191289
2	Russia		3985	4469	78702
3	Germany	1774	1603	2473	35998
4	France	1638	1055	1851	32446
5	UK	1841	1484	1024	25831
6	USSR	10243			15922
7	China	931	272	870	13302
8	Netherlands	405	280	608	10282
9	Italy	172	189	588	7572
10	Ukraine		288	214	7095

Source: http://www.sipri.org/contents/armstrad/output_types_TIV.html