

**Testimony of  
Barbara A. Leaf  
Assistant Secretary State for Near Eastern Affairs  
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Chairman Murphy, Ranking Member Young, Members of the Subcommittee, thank you for this opportunity to share our assessment of the People's Republic of China (PRC)'s activities in the Middle East and North Africa.

Time and again, we're reminded how important the Middle East and North Africa remains to our national security. The region's sea lanes are essential to a secure global supply chain and commerce. The region's energy resources remain vital for market stability and the global economy. The vulnerability of fragile states in the region, left unaddressed, may mean refuge for terrorists with transnational aspirations on the one hand, or conflict that produces wider instability and flows of refugees on the other. And an increasingly dynamic, internet-savvy youth population makes the region an important audience for U.S. policy priorities – and influence.

For decades, we have worked to prevent conflicts and terrorism from threatening the security and stability of the United States and that of our partners and allies; to prevent the proliferation of weapons of mass destruction; and to ensure the security of our closest partners, including an ironclad commitment to Israel's security.

As we assess the PRC's influence today in the Middle East and North Africa, in these areas that matter most to our national security, we retain a clear advantage that the PRC is unable to challenge.

A clear-eyed analysis of the PRC's economic ties with the region, however, reveals growing influence and areas that require our attention. We must be careful to discern signal from noise within this growing volume of economic activity, but we must also remain attuned to trends that may more directly impinge upon U.S. interests.

In 2000, PRC trade with the Middle East and North Africa was worth \$15.2 billion. By 2021, that figure had risen to \$284.3 billion. That dramatic jump was driven in no small part by energy – mainly oil and natural gas – accounting for 46 percent of the total trade today.

In comparison, over that same timeframe, U.S. trade with the region rose from \$63.4 billion to \$98.4.

The difference between PRC and U.S. trade in the region is not surprising – the PRC’s voracious appetite for imported energy fuels an economy in which domestic oil production has remained flat for decades.

We’re not competing with the PRC over the region’s hydrocarbons. Far from it. The United States has dramatically reduced its own dependence on imported oil to the point of becoming an oil and natural gas exporter.

However, it remains in our national interest, as the leader of the global economy, to ensure this energy supply reaches world markets and that our closest allies in Europe and the Indo-Pacific enjoy unfettered access to stable energy supplies. The PRC has shown neither the desire nor the capability to assume that role. Nor should we want it to.

The PRC’s export-heavy economy sends goods to and through the Middle East and North Africa. The region is a growing market for PRC wares, as well as an important transshipment point. The Suez is a vital lifeline for PRC trade with Europe.

My concern with this trajectory lies in two critical areas. And I would underline that we must remain vigilant on a third set of issues.

The first is the PRC’s attempt to leverage investment and trade in critical areas of research and technology to increase its global competitiveness. PRC economic engagement is not always solely economic. It often brings with it a security concern, for the United States and for our partners. We have seen PRC intellectual property theft, technology transfer, and data harvesting worldwide over the years. And we’ve cautioned our partners about the risks inherent in accepting such investment.

Israel’s high-tech sector is dynamic and innovative, has an organic connection to U.S. partners, and is potentially vulnerable to PRC exploitation. We have been frank with our Israeli friends about our concerns, and the value of rigorous investment screening mechanisms to ensure that technology, strategic infrastructure, and other critical assets are not compromised by external funding. Israel’s adoption of such a mechanism has been a critical first step, and one we

would like to help them improve upon. We also hope to work together on other issues like monitoring research institutions and expanding export controls to protect Israel's valuable technological contributions from being exploited by PRC companies.

The UAE also has a vibrant tech and innovation sector, but some partnerships with PRC companies pose potential risk. For example, early COVID vaccine coproduction agreements offered the promise of accelerating the fight against the pandemic, but also carried privacy concerns, such as providing the PRC wide-ranging access to unique patient data. We have additional concerns with Chinese inroads in the UAE's tech sector.

We raise these concerns regularly with our partners because we don't want to see their sovereignty, security, and economic competitiveness compromised by PRC investment. And we offer technical assistance in setting up investment screening mechanisms, like CFIUS. We continually remind our partners of the risks posed by vendors like Huawei, Hikvision, Nuctech, and other PRC companies whose technology compromises our and our partners' security.

My second overriding concern is the longer-term impact of the PRC's steady accretion of economic ties in the region, and how Beijing might use those relationships for political and even coercive advantage. There is no question that we are already seeing a more competitive environment in the Middle East and North Africa, in which we must vie for influence on global issues.

We've seen the same polling numbers you have – in some recent polling the PRC is viewed relatively favorably by populations across the region. Certainly the PRC leverages its economic investment to portray itself as a power on the rise, unburdened by the legacy of U.S. political and security engagement in the region. In the information space, Beijing employs relentless propaganda and disinformation to promote its image and undermine that of the West and other democratic countries. It seeks to suppress views critical of the PRC through harassment, intimidation, and other coercive measures against members of regional media. Beijing also leans on state-run media for favorable coverage. It uses content-sharing agreements and placement of paid advertorials to extend the reach of its preferred narratives, while it also threatens to revoke advertising dollars and other support if stories run contrary to the PRC's viewpoints.

We are working within the State Department, including through our Global Engagement Center, as well as throughout the U.S. government and alongside our

partners and allies, to proactively address information manipulation efforts by the PRC and other actors.

This also creates conditions where the PRC can coerce countries on UN votes and support for its positions on issues like Taiwan, the Uyghurs, and Russia's brutal war in Ukraine. Not to mention a host of others that go to the rules-based order that we have worked assiduously since WWII to build and maintain.

That's why we've increased our dialogue with key regional partners on our multilateral priorities, as well as our engagement with regional multilateral organizations. Quite apart from advocacy for our own positions, it is important to demonstrate that the PRC's record has not supported the region's greatest needs. Just a few examples serve -- Beijing has offered solace and protection to the Assad regime -- using its veto at the UN Security Council to stymie accountability in Syria. It vetoed UN Security Council Resolutions on the cross-border aid mandate three times in 2020 and 2021 before allowing authorization for a reduced number of crossings, threatening life-saving humanitarian aid to millions of Syrians in need.

As we look to advance our core interests in the region, our engagement highlights the PRC's absence on key issues of security and stability for the region. As President Biden underscored last month in Jeddah, this Administration has an affirmative framework for America's engagement in the Middle East and North Africa -- deescalating regional conflicts, enhancing our partnerships for regional security, and promoting regional integration. In his public and private engagements President Biden made clear the U.S. commitment to the region's welfare and moreover, that "we are not going to leave a vacuum in the Middle East for Russia or China to fill."

As Secretary Blinken detailed in May, our approach to the PRC is to "invest, align, and compete." Globally, we are 1) investing in the foundations of our strength at home; 2) aligning with partners and allies; and 3) harnessing those assets to compete with the PRC to defend our interests and build our affirmative vision for the future. This is as true in the Middle East and North Africa as it is around the world.

We are aligned with our regional partners concerning the critical threat posed by Iran -- its pursuit of a nuclear weapon, its support for terrorism, and interventions to destabilize the region. We are working to achieve a mutual return to full implementation of the JCPOA to halt the development of Iran's nuclear program

and to build an integrated approach to regional security, providing common defense in the face of shared threats and capitalizing on the opportunities presented by deepening integration across the region – in political, economic and security terms, and including Israel in those efforts.

The PRC has not just been absent from this space, Beijing has aided Iran and acted against the region’s interests. Last year, the PRC finalized a 25-year strategic partnership agreement with Tehran, with the promise of billions of dollars in potential future investment in Iran. The Commerce Department’s Entity List includes over 70 PRC nationals and entities sanctioned for supporting the Iranian regime in one form or another. The PRC has been the top destination for Iranian oil – both legitimate exports and trade that circumvents sanctions.

Beyond Iran, the PRC has been notably absent from the fight against ISIS and contributed negligibly to the international humanitarian efforts in Yemen and Syria. Last year Beijing released an empty four-point plan on Israeli-Palestinian peace and has not since returned to the issue.

In all these areas, the region has long looked to U.S. leadership to convene warring parties, to mitigate and resolve conflict, to leverage diplomatic relationships, and to pursue solutions that build lasting regional stability. As I noted at the outset, it remains in our interest to do so.

Our alignment with our partners produces real results. During his trip, the President announced an agreement to open Saudi airspace to all civilian carriers, allowing Israeli overflights of the Kingdom for the first time. Through this engagement with key partners, we secured extension of the ceasefire in Yemen, investment in a partnership to develop U.S. technology for reliable 5G and 6G networks, an agreement to link the GCC to Iraq’s electoral grid, and new contributions to the Partnership for Global Infrastructure and Investment.

Only U.S. engagement could have produced the historic Abraham Accords and the follow-on development of the Negev Forum, creating new ways to develop Israel’s connections with its Arab neighbors, while also leveraging this new mechanism to strengthen the Palestinian economy and improve the quality of life of Palestinians. We have supplied the region with over 35 million doses of life-saving COVID-19 vaccine. And as the region deals with drought, extreme heat, and other consequences of climate change, we have worked with partners to advance a bold agenda on climate, particularly as we look forward to the region hosting the next two climate conferences – COP27 in Egypt this fall, and COP28 in Dubai in 2023.

Ultimately, our ability to compete with the PRC in the Middle East and North Africa rests on the continued strength of our partnerships and the work together that those relationships produce – in the region and beyond, whether in Afghanistan or the Horn of Africa. For all the region’s challenges, the United States’ deep and decades-long strategic cooperation with regional partners remains an asset that no country – certainly not the PRC – can hope to match.

We must continue to deliver on the promise of American leadership and demonstrate that we remain an engaged, reliable partner. We cannot cede space to the PRC – or any other power -- to press its case; we must be present and offer U.S. leadership and solutions. This will sometimes involve tough conversations with countries in the region, but we will pursue these in the spirit of partnership and in support of our common interests.

Our partners in the region worry that the United States’ renewed focus on the Indo-Pacific comes at the expense of the Middle East and North Africa. But the truth is that we remain a global power, with global responsibilities; we are deeply engaged in both critical regions, and we must remain so. Because our partners in this region are vital to our security, our economic prosperity and that of the globe.

As the Secretary has said, “this is not about forcing countries to choose. It’s about giving them a choice.” Countries are going to have significant relationships with the PRC, just as the United States does. We will engage constructively with the PRC where we can, confront where we must, and in this more competitive era where our influence in the region is periodically contested by others, we will compete confidently in the value of the partnership and the values we have to offer.

Our record stacks up well against the PRC’s. Our core interests in the region remain secure. But it will take sustained investment, engagement, and a concerted effort to ensure we deliver on our promise of a stable, more prosperous future.