



CRITICAL ANALYSIS OF CHINA'S ECONOMIC INTERESTS IN IRAN'S OIL AMID U.S. SANCTIONS

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Abstract

The background of this research is connected with China's economic interest in Iran's oil sector within the context of United States sanctions against Iran. With the rapid industrialization of China, the growth of energy demand continues; therefore, there is a strategic need for stable and inexpensive oil supplies. Iran with some of the world's biggest oil reserves is an attractive partner for China, more so when U.S. sanctions open up gaps in market access to Western countries. This paper analyses the deeper interests that led China into the oil sector in Iran, such as economic interests, energy security, and mutual interest in counterbalancing the influence of the U.S. in the Middle East. This paper uses qualitative research to obtain information from official documents, policy papers, and academic literature sources to make an effective comprehensive analysis of the Sino-Iranian oil partnership. Through content analysis, it will establish key themes in China's strategic approach toward Iran, and the comparative analysis will evaluate if the engagement between China and Iran is unique to its dealings with other sanctioned states. It will, therefore seek to find how China's action in Iran does not only improve energy security but also challenge the effectiveness of US foreign policy tools. By examining this partnership in the post-2018 sanctions era, this study explores the new geopolitical and economic consequences arising from the China-Iran connection in a shifting world environment. Findings will indicate China's regional aspirations as well as its overall modus operandi to successfully navigate U.S.-centered global systems.

Key Words: China, Iran, Oil Industry, U.S. Sanctions

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Introduction

Oil has long been the biggest factor shaping the geopolitical landscape of the Middle East, and Iran is not only one of the most important players but also one of the biggest owners of reserves. The complex relationship between China and Iran has evolved for many decades, especially as the United States has placed sanctions on Iran over the years. With these sanctions trying to restrict Iran's nuclear progress as well as the Iranian influences at the regional level, Iran has been isolated economically which has forced the Iranian regime to look for new partners.

With China being the second largest economy in the world and a significant fuel consumer, it is obvious that having ready and available oil resources like those that Iran possesses would suit a lot of the energy needs that driving engine that China has become and will continue to be for some time. The Chinese regime has deliberately integrated itself as a critical component of Iran's lifeline, pouring money, trade deals, and the importation of energy into the country. The nature of this relationship is crucial for Iran but is also important to China in a larger Arab region scenario where the Chinese are looking for a secured energy supply, and aiming to expand its muscular expanded influence as part of this strategy under the Belt and Road Initiative label.

A desire for energy resources has coincided with China's explosive economic rise in recent decades. China is the second-biggest economy in the world, and its industrialization and urbanization have increased its energy consumption to previously unheard-of levels. China's share of the world's primary energy demand increased significantly from 5% in 1971 to almost 16% in 2020 (Dorraj & Currier, 2008). China has been forced by this increase in energy demands to look for a variety of trustworthy sources of gas and oil to maintain its growth trajectory and

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guarantee energy security.

With its enormous oil and gas deposits, which account for over 16% of the world's natural gas reserves and 7% of its proven oil reserves, Iran has become an important ally of China. Iran's energy industry gives China the strategic advantage of lowering reliance on US-aligned oil suppliers while simultaneously providing the volume of resources needed to meet its expanding demands. China has strengthened its commercial relations with Iran as a result of this strategic need, making Tehran a vital supplier in the country's larger energy policy (Izadi & Khodaei, 2017).

Iran's energy assets are only one aspect of its strategy and importance. China's Belt and Road Initiative (BRI) uses Iran, which is strategically located at the intersection of Central Asia and the Middle East, to facilitate trade routes that link Asia with Europe and Africa. By building a massive network of infrastructure projects, the BRI seeks to increase China's economic might and trade connectivity worldwide. With access to major maritime chokepoints like the Strait of Hormuz, which is essential for the continuous supply of gas and oil to China, Iran's geographic location makes it an essential partner in this strategy (Syed, Khan, & Ejaz, 2022).

A key component of Washington's plan to restrain Tehran's nuclear aspirations and curtail its regional influence has been the imposition of sanctions led by the United States on the country. These sanctions, which were first implemented seriously after the Islamic Revolution of 1979 and stepped up under the Obama administration with the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) of 2010, have targeted several Iranian economic sectors, most notably the country's oil and gas sector (Izadi & Khodaei, 2017). These sanctions' main goals are to limit Iran's capacity to project power in the Middle East,

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discourage its support for regional militant organizations, and put pressure on it to abide by international nuclear agreements

Iran's economy has been severely impacted by the sanctions, which have resulted in a sharp decline in oil exports and an overall economic downturn. However, they have also made it possible for nations like China to fill the voids left by Western retreats by acting as substitute partners (LIU & WU, 2018). By forcing Tehran to look for new ways to survive and expand economically, the sanctions, which are intended to isolate Iran, unintentionally deepen links between Iran and non-Western nations, especially China.

Despite strategic and monetary benefits from the ties between China and Iran, Iran's rising relations with the former country are fraught with serious challenges. Such implications will only call for sophisticated diplomacy as well as intelligent strategic flexibility in dealing and staying good with Saudi Arabia, among others, to still maintain friendly relations with Iran. Being a big supplier of oil for America, that country had sought to continue keeping the entity as one of its important strategic partners. Its counterpart, Saudi Arabia would then be offended by Iran's regional aspirations and feel negatively about any relation by any country towards Tehran because its interests may be put asunder by the intentions or actions of the said aspirant of the Iranian country.

The balancing acts also require fine-tuning since China's goal is not to face the United States head-on. China will then have to deal with a relationship of competition but at times cooperation with the United States in matters of international relations and economic interests in Iran. The prospects of retribution by the United States' potential pressures through diplomacy or secondary sanctions on Chinese businesses in Iran threaten to jeopardize

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China's economic policy.

To examine the different dimensions of China's economic engagement with Iran, the present study will be based on an in-depth literature analysis that will take recourse to historical analyses, present-day case studies, and strategic reviews from relevant scholarly literature. This investigation shall help contribute to the wider debate on the shifting distribution of power in the world and how strategic economic alliances are likely to shape future international relations.

Literature review

“China-Iran strategic partnership and the future of US hegemony in the Persian Gulf Region” by Alam Salem and Zakiyeh Yazdanshenas reveals a history of the relations between both countries which is driven by the shared interests of both countries. Also how this partnership could change the power dynamics of the region, especially in Persian (Zakiyeh & Saleh, 2024) . However, little attention was given to the oil trade has changed the global oil market amid U.S. sanctions.

“Iran’s strategies in response to changes in US-China” by **Sara Bazoobandi** highlights the strategic deepening of Iran-China ties, Iran’s reorientation toward Gulf countries, and military collaboration with Russia among the US decline. Bazoobandi argues that Tehran’s leaders envision a multipolar world order, prompting Iran’s proactive efforts to align with China and Russia while expanding its influence in the Middle East and beyond (Bazoobandi, 2024) . However, a detailed analysis of how these economic relations are affecting Iran's domestic economy during outgoing global sanctions.

Toms Ratfelders's paper is "The US-Iran-China nexus: towards a new strategic alignment". Here, I will analyze the shift happening between the United States, Iran, and China concerning

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the rise of China and its implications on American leadership in the international arena. The paper core is very strategic as it focuses more on the relationship between the three countries, especially as seen with the growing influence of China within the Middle East, in particular, Iran that challenges the system underpinning the current world order dominated by America (Ratfelders, 2024). The paper correctly identifies the research gap by elaborating on the role of the intermediate struggles about powers in regional systems- such as the models on theory by Lemke and Werner (1996), and Nejad (2021).

In “The Impact of the Development of Chinese-Iranian Relations on the Arab Region” Mervat Zakaria highlights the regional impacts of Iran and China’s strategic partnership and also emphasizes Iran's goals of countering Western sanctions. The article also covers political as well as military and economic dimensions (Zakaria, 2023). However, China’s balancing role and strategies to maintain its relations with Iran and Arab Gulf states amid competing regional interests were not clearly defined.

Research Questions

Q 1. How does the economic interest of China in the Iranian oil market react to US-imposed sanctions against Iran?

Q 3. How does the China-Iran axis challenge or shore up US hegemony in the Middle East?

Research Methodology

Following the US sanctions, it is in this light that the article used a qualitative method approach to determine China's interests in Iran's oil industry. Qualitative methods suit this research well; they dig deeper into revelations of complex relationships in international relations and motivations along with strategies that cannot even be reasonably covered by quantitative data. The structure of the methodology is straight from Chinese and Iranian

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government reports, press releases, and official documents, reports on agreements, decisions, or policy declarations together with relevant official speeches, comments from international forums, and policy papers in Iranian and Chinese sources. Also, an in-depth analysis was sourced mainly from academic journal articles, policy papers from think tanks, and reports from international organizations such as the World Bank, the International Energy Agency, and the U.S. Energy Information Administration. The recent developments will be followed through media reporting from reliable international news sources.

Geopolitical, economic, and strategic factors that push China into Iran's oil sector would depend on what theme and comparative analysis could be drawn for this qualitative approach. About that, this method looked at the deconstruction of the data in the broader framework of U.S. sanctions to gain deep insight into the China-Iran relationship and its implications.

This relationship is crucial for Iran but is also important to China in a larger Arab region scenario where the Chinese are looking for a secured energy supply, and aiming to expand its muscular expanded influence as part of this strategy under the Belt and Road Initiative label.

Background: Historical Context of China-Iran Relations

China and Iran share a lengthy historical tapestry of over two thousand years long as a backdrop for their new strategic partnership. The ancient Silk Road saw firmer trading, and cultural and technological exchanges between the two, establishing a basis for long-range economic and diplomatic relations (LIU & WU, 2018). Over the decades, these historical relations have adapted through variating geopolitical landscapes and conclusions of power and influence maintaining a status quo in the region. Despite all the changes throughout history, empires rising and falling, colonial

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penetrations, and changes in ideologies – this legacy of working together on common issues has remained. This relational durability has been marked by a continual drive for economic partnership and strategic alignment, which has been especially relevant in the modern geopolitical environment.

The relationship between China and Iran experienced significant changes in the post-Cold War era as a result of regional wars and shifts in global power. An important turning point was the Islamic Revolution of 1979 when Iran aimed to strengthen its independence and lessen Western influence by allying itself with non-Western nations like China. Formal diplomatic connections were established during this time in 1971, and in the decades that followed, there was a significant increase in bilateral trade and collaboration (Dorraj & Currier, 2008). The two countries found similar ground in their desire to counterbalance Western hegemony and safeguard their own economic and geopolitical interests, notwithstanding fundamental differences between Iran's Islamic theocracy and China's communist administration.

U.S. Sanctions on Iran and Their Effect on the Oil Industry

In response to Tehran's backing for terrorism and extremism, the United States originally imposed sanctions on Iran in the early 1980s, and they have been in place for decades (Nephew, 2017). A full, comprehensive embargo on bilateral trade (imposed via E.O. 12957 and E.O. 12959 signed by President Clinton) and sanctions aimed at isolating Iran from non-U.S. energy companies were added to these sanctions in 1996 after they were first imposed in 1995 in response to Iran's continued sponsorship of terrorism and pursuit of WMD (Pelletreau, 1995). This development spawned the creation of a new concept, that of “secondary” sanctions. Distinct from “primary” sanctions (which target U.S. trade with a foreign country), secondary sanctions target non-US people or entities

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from engaging in trade with another foreign country. Access to the United States and critically, its markets is held as leverage under secondary sanctions. These sanctions targeted foreign investment in Iranian oil and gas development and prompted a major confrontation between the United States and its partners, primarily those in Europe. European governments moved to prohibit their companies from complying with the U.S. sanctions if they varied with European Union trade policy, and they also filed a suit with the World Trade Organization. In exchange for a European commitment to cooperate with the United States in addressing Iranian funding for terrorism and the development of WMDs, Secretary of State Albright mediated a compromise in which the United States lifted sanctions on the impacted European corporations.

The disclosure that Iran was building nuclear capabilities without making the declarations and granting access to foreign inspectors required by the Nuclear Nonproliferation Treaty in 2002 put this commitment to the test. In 2003 and 2004, European nations developed nuclear activity suspensions with Tehran in an effort to negotiate a solution to this dilemma. These attempts failed in 2005 when Iranian President Ahmadinejad resumed some of the nuclear programs that had been halted and turned down European negotiating overtures.

As a result, the governments of the United States and Europe began collaborating in 2006 to create additional sanctions in the UN Security Council (UNSC). In all, UNSC resolutions 1737 (2006), 1747 (2007), 1803 (2008), and 1929 (2010) were passed (Nephew, 2017). Their main concern was Iran's access to weapons, missiles, and nuclear technology. Additionally, they allowed—and, to a certain degree, encouraged—states to apply their own national sanctions against Iran in sectors such as financial services,

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transportation, and energy. The United States also pledged to negotiate a nuclear crisis solution that, when fully implemented, would see Iran "treated like any other state party under the Nuclear Nonproliferation Treaty" in order to garner support for these resolutions (Habibi, et al., 2008).

Sanctions from the UNSC, however, were insufficient to push Iran to alter its policies. By forcing international banks and corporations to leave Iran, the United States' additional secondary sanctions from 2010 put more pressure on Iran. These initiatives were matched in 2012 by pressure on Iranian oil buyers to cut back on purchases by a sizable amount every 180 days or risk being denied entry to the US. As a result, Iranian exports fell by 1.4 million barrels per day compared to their pre-sanctions levels. An initial agreement known as the Joint Plan of Action was negotiated between the United States and Iran in 2013. It called for a freeze on Iranian nuclear activities in exchange for a halt to U.S. sanctions against the Iranian nuclear program and the Iranian economy in general (Thomas, 2024).

Only the clauses pertaining to Iranian support for terrorism, the development of ballistic missiles and other arms-related transactions, and human rights violations remain after the majority of the remaining U.S. secondary sanctions against Iran were suspended during negotiations for a Joint Comprehensive Plan of Action in 2015 (Davenport & Masterson, 2022). Both the Obama and Trump administrations have since carried out these sanctions, including by designating new Iranian criminals and their international counterparts.

The Trump Administration terminated U.S. participation in the JCPOA and reinstated all U.S. sanctions that had been loosened under the JCPOA in 2018, citing Iran's ongoing hostile activities and the short-lived nature of several JCPOA constraints (Landler, 2018).

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The purpose of the "maximum pressure" campaign, which included these and other new limitations, was to allegedly force Iran to negotiate a new and expanded agreement. Iran has breached the JCPOA-mandated restrictions on its nuclear activity since 2019 and did not pursue a new deal during the Trump Administration. Biden Administration Guidelines In the midst of a brutal Iranian government crackdown on widespread protests, Biden Administration officials attempted to resurrect the JCPOA, but indirect U.S.-Iran discussions collapsed in mid-2022 (Thomas, 2024) . The Administration has deemphasized ongoing diplomatic engagement with Iran on its nuclear program because of Iran's military support for Russia and the growing confrontation in the Middle East between Iran, Iran-backed forces, Israel, and the United States. Under the Iran Nuclear Agreement Review Act of 2015, any attempt by the executive branch to reinstate US participation in the JCPOA or a comparable agreement may be subject to congressional review. Meanwhile, the Biden Administration has sanctioned hundreds of organizations for their involvement in the illegal sale of Iranian oil, violations of human rights during the crackdown on protests in 2022, the transfer of Iranian weapons to Russia for use in Ukraine, Iranian support for Hamas and other foreign terrorist organizations designated by the United States, and Iran's wrongful detention of American citizens.

The China-Iran Partnership Amid U.S. Sanctions

The partnership between Iran and China has increased significantly after the backdrop of US-led sanctions on Iran. This collaboration is due to mutual economic interests, with China's demand' increasing demand for energy and Iran's will to bolster its economic partnerships during these sanctions. China and Iran have had centuries of connections through the Silk Road that have brought both nations together- aiding the growth and success of

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important alliances. Currently, the relationship has transformed into a strategic partnership. After the Iranian revolution, Beijing and Tehran have strengthened their ties, especially in the energy sector. The two countries are cooperating even more because of U.S. sanctions that aim to offset the U.S. influence. Energy resources are the bedrock of the China-Iran partnership. China matters to Iran because it has a lot of oil and gas that can be provided to China easily. Iran has about 155 billion barrels of proven oil reserves, making it the world's fourth-largest oil producer. Moreover, it has access to the world's second-largest natural gas reservoir (33 trillion cubic meters) (Afary, Mostofi, & Avery, 2024).

China's rapid economic development relies heavily on the country's energy security. Iran has been cultivated by China as a key supplier in its energy strategy. The oil demand in China has grown exponentially over the years. By 2015, 6.7 million barrels of oil per day were being consumed by China and this is projected to grow to over 12 million barrels per day by 2030 (Liu & Aizhu, 2024). Despite stringent U.S. sanctions aimed at curbing Iran's energy exports, China has maintained a steady flow of oil imports from Iran. Chinese companies and banks have developed innovative mechanisms, such as oil-backed loans and barter trade agreements, to continue transactions while avoiding direct contravention of U.S. sanctions. These methods enable Iran to bypass financial restrictions while ensuring a reliable energy supply for China. China's state-owned companies have helped to strengthen this energy relationship. Firms like Sinopec and the China National Petroleum Corporation (CNPC) have poured billions into Iran's energy sector. A highlighted project of the company is the construction of the Yadavaran and North Azadegan oil fields and participation in the South Pars gas field (Dorraj & Currier, 2008). When sanctions ramped up, Chinese companies faced much less

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competition after Western energy businesses withdrew from the Iranian market. For example, Sinopec's contract to develop the Yadavaran field and CNPC's South Pars project involvement show China's growing energy influence in Iran. Despite these challenges, the absence of Western technology has caused some delays and technical restrictions to these projects.

The China-Iran partnership is also driven by important geostrategic considerations. Iran's location makes it an important gateway for China's Belt and Road Initiative (BRI) (Hadian, 2023). By building ties with Tehran, Beijing will obtain an important overland route to supply trade and energy and lessen its reliance on maritime chokepoints like the Malacca Strait in February 2022. The Middle East energy strategy strengthens China's energy security as well as its influence in the region. Iran's close ties with China are crucial too. Unlike significant powers that have shunned economic and diplomatic relations with the Islamic Republic, Beijing offers it a breath of fresh air in the midst of relentless international isolation. With permanent membership in the United Nations Security Council, China has a strategic edge and thus any tougher international sanctions on Iran can only be averted by veto.

The economic gains of the partnership are beyond energy: China is one of Iran's main trading partners, and Iran has been exporting consumer goods, electronics, and machinery, and importing oil and petrochemical products (Hadian, 2023). These trade ties have helped lessen the impact of sanctions on the Iranian economy, and Beijing's investments in Iranian infrastructure including the subway system and industrial facilities show the strength of the bilateral cooperation. Despite the convergence of the two countries on many fronts, the Sino-Iranian partnership is not without challenges. China's cautious approach to full engagement with Iran reflects a broader foreign policy strategy

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that is aimed at balancing relationships with all the major world powers. While Beijing opposes U.S. sanctions, it remains wary of provoking Washington due to its extensive economic ties with the United States. Furthermore, outdated infrastructure, bureaucratic inefficiencies, and regulatory unpredictability in Iran muddle Chinese investments. Projects such as the South Pars gas field have been facing delays in technical and material and technical areas which is also due to the restrictions of this partnership.

The Chinese-Iranian partnership amid American sanctions shows pragmatic and strategic relations based on bilateral economic and geopolitical interests. While challenges persist, the two countries' aligned goals make this cooperation long-lasting as for China, Iran is a reliable source of energy as well as a strategic ally in the Middle East. China provides Iran with essential economic and diplomatic support, making it eligible to weather the storm of international sanctions.

U.S. Foreign Policy and Consequences for Regional Stability

The intersection of US foreign policy, Iran's energy sector, and Chinese economic interests highlights a complex dynamic that has significant implications for stability in the Middle East. The US has long sought to isolate Iran economically and politically, particularly through sanctions targeting the country's oil exports. The purpose of these measures is to reduce the ambition of Iran and reduce its regional impact. However, the consequences exceeded Iran, which affected a broader geopolitical model and promoted closer economic ties between Iran and China. US sanctions on Iran were imposed in the 1980s and have been significantly tightened in recent decades. The Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) of 2010 and sanctions reimposed after the US withdrew from the Joint Comprehensive Plan of Action (JCPOA) in 2018 target Iran's oil sector, banking sector, and major

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economic institutions. The measures significantly reduced Iran's oil exports, from 2.8 million bpd in 2011 to 300,000 bpd during the sanctions (Thomas, 2024).

The main goal of these sanctions is to deprive Iran of revenues that could support its nuclear program and regional proxies. However, it has also created opportunities for countries like China, China is still one of Iran's largest oil customers. China and Iran's economic relations are the main factor against the impact of US sanctions. Chinese companies have continued to buy Iranian oil, often through swaps and oil-backed loans, without bypassing the traditional financial system restricted by US measures. As of 2015, Iran accounted for about 8% of China's crude oil imports, and even at the height of sanctions, China imported about 530,000 barrels of crude oil from Iran each day (Nikoladze, 20204) . In addition, Chinese state-owned enterprises have made huge investments in Iran's energy infrastructure. Projects such as the development of the Yadavaram oil field and the South Pars gas field highlight China's desire to obtain long-term energy resources from Iran. These investments also underscore China's strategy to diversify its energy imports while reducing its reliance on politically unstable suppliers.

The US sanctions regime has inadvertently intensified competition for influence in the Middle East. Although the United States is trying to weaken Iran's economic finance, China and Tehran's continuous participation emphasized the transfer of motivation to the region. This competition among the world's great forces has worsened existing tensions, especially if participants such as Saudi Arabia and Israel are more in line with the politics of the United States against Iran. Iran's efforts to cope with sanctions on China's partnerships have also had a significant impact on regional stability. China has expanded its existence in the Middle

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East through its Belt and Road Initiative (BRI) and created economic addiction that can change the balance of power. This growing influence challenges the traditional dominance of the United States in the region and could lead to new alliances and conflicts (Hadian, 2023).

US sanctions on Iran have also disrupted global energy markets. Iran's oil exports have fallen sharply, creating a supply shortage that has weighed on global oil prices and prompted other oil-producing countries, such as Saudi Arabia, to increase production. At the same time, China's strategic investments in Iranian energy projects ensure the country's uninterrupted access to these resources, thereby reducing the impact of market fluctuations on the country's economy. US foreign policy toward Iran, centered on economic sanctions, has far-reaching implications for regional stability and global energy dynamics. While the sanctions are intended to isolate Iran and reduce its influence, they have also fostered stronger economic ties between Iran and China, reshaping the geopolitical landscape of the Middle East. This evolving dynamic underscores the unintended consequences of U.S. policies, as regional and global powers navigate a shifting balance of influence.

Conclusion

A partnership has become a key axis in contemporary geopolitics, especially in the face of severe US sanctions against Iran. These sanctions, designed to isolate Tehran and limit its regional influence, have inadvertently deepened its ties with China. The partnership symbolizes a strategic shift in the global order as new powers such as China seek to seize the opportunities created by Western policies. China's interest in Iran is driven by its abundant energy resources, strategic location, and potential to expand its Belt and Road Initiative. As the world's second-largest energy

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consumer, China relies on stable and diversified energy to promote rapid economic growth. Iran, with its vast oil and gas reserves, is an ideal partner in this regard. Furthermore, Tehran's geographic location at the crossroads of the Middle East, Central Asia, and Europe is perfectly aligned with China's ambitions to develop trade corridors and improve connectivity under the Belt and Road Initiative.

For Iran, ties with China are a lifeline as US sanctions worsen the country's economic difficulties. Beijing's continuous investment in Iran's energy infrastructure and its willingness to purchase Iranian oil (usually to avoid sanctions through the transshipment agreement or mechanism) provides a key source of income. In addition, China's diplomatic support provided Iran with a certain degree of protection on the global stage, thereby reducing some pressure on the isolation of the United States. However, the partnership is not without challenges. China must carefully balance its engagement with Iran to avoid alienating other key regional players, such as Saudi Arabia and the Gulf Cooperation Council (GCC) states, with whom it also maintains significant economic and strategic ties. This cautious approach reflects Beijing's broader foreign policy strategy of avoiding direct confrontation with the United States while promoting its global interests.

Iran faces the vulnerability of over-reliance on China. The sustainability of this partnership is further complicated by Tehran's lack of economic diversification and regulatory inefficiencies. In addition, the lack of significant Western investment, fueled by sanctions, limits Iran's ability to modernize its infrastructure and fully utilize its strategic assets. Such partnerships also have broader implications for regional stability and global power dynamics. Deepening Sino-Iranian relations challenge US influence in the Middle East and contribute to a multipolar world order. But

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they also risk exacerbating regional tensions, especially with adversaries like Israel and Saudi Arabia, who are concerned about Iran's growing role.

In short, the China-Iran partnership reflects a shifting balance of power in a world of increasingly complex interdependence. While the relationship is mutually beneficial, it also requires strategic foresight and adaptability to overcome inherent challenges. By thoughtfully managing this dynamic, both countries can not only strengthen their bilateral ties but also contribute to a more balanced and interconnected global order.

Recommendations

- Both countries should formalize bilateral agreements focusing on energy security, trade, and infrastructure development to ensure a stable and predictable partnership.
- Both countries should strengthen the reach of the Belt and Road Initiative in Iran, especially in terms of transport and energy infrastructure, to build lasting economic ties. Energy Cooperation:
- China should continue to invest in Iran's oil and gas sectors to ensure a stable energy supply.
- Iran should adopt modern technologies, perhaps with Chinese assistance, to optimize its energy production and export potential.
- Iran must explore new partnerships with other Asian, African, and European countries to avoid over-dependence on China and reduce economic vulnerabilities. Focus on developing renewable energy as an alternative to diversify export options and align with global energy trends.
- Iran should modernize infrastructure to meet international standards and better integrate into global trade networks.
- China must maintain neutrality in the Middle East and

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balance relations with Iran, Saudi Arabia, and other regional players to ensure broader regional cooperation.

- Both nations should participate in multilateral dialogues to address regional issues like energy security and trade integration, fostering a collaborative environment.
- Iran should focus on mitigating the impact of sanctions on the domestic economy through social welfare projects funded through cooperation with China.
- China can provide technical and financial assistance to improve Iran's key sectors such as healthcare and education and increase goodwill.

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