

China-India Brief

A publication of the Centre on Asia and Globalisation



Guest Column

Corridor Diplomacy and Regional Agency: The Middle East between China and India

By Hao Nan

The Middle East is once again at the heart of geopolitical tensions with recent military escalations: Israel-Iran exchanges involving drone strikes, missile barrages, and airstrikes, and most shockingly, an unprecedented Israeli strike in Doha, Qatar. This flare-up coincides with US's renewed "maximum pressure" campaign against Iran and a widening regional contest for influence.


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The *China-India Brief* is a bi-monthly digest focusing on the relationship between Asia's two biggest powers. The Brief provides readers with a key summary of current news articles, reports, analyses, commentaries, and journal articles published in English on the China-India relationship. It features a Guest Column weighing in on key current issues in China-India relations.

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However, alongside the longstanding military tension and external intervention, the region is undergoing a crucial transformation. Major Asia-Europe connectivity initiatives, such as the China-led Belt and Road Initiative (BRI), and India-involved India–Middle East–Europe Economic Corridor (IMEC) and the International North–South Transport Corridor (INSTC), are transforming the region into a strategic pivot for economic integration. These logistics corridors initiatives construct more than physical routes for transporting goods. They also provide platforms that could potentially reshape regional power dynamics, urban ecologies, cultural networks, international cooperation, and paths to modernisation.

Far from being passive participants, Middle Eastern states are shaping, and at times challenging, these corridors, as Gulf countries, Iran, Israel, and Turkey weigh the geopolitical ambitions of Beijing and New Delhi against their domestic strategic priorities.

China's Corridor Diplomacy

The BRI's entry into the Middle East initially centred on Iran for a broader and resilient Eurasian land-bridge that integrates energy, industry and logistics. The **2015 BRI Action Plan** notably emphasised linking western China to the Gulf via Central Asia and Iran, focusing on infrastructure investments like the **Tehran–Mashhad railway**. Central to this objective's realisation is the China-Central Asia-West Asia Economic Corridor, one of the six major corridors planned under the BRI.

This phase of the BRI's policy formulation coincided with the 2016 upgrade of China-Iran relations to Comprehensive Strategic Partnership, integrating energy security to the construction of corridors. This reflects China's perception of Iran as a strategic partner, owing to the latter's unique roles as a major energy supplier, strategic transit hub, and geopolitical counterweight to American influence.

Over the past decade, the BRI has expanded to engage Middle East and North Africa through port investments, digital infrastructure, and logistics platforms. Coinciding with the roll-out of the BRI, China has become the largest trading partner for major Arab states since 2013, including Saudi Arabia (**2013**), Egypt (2013), Qatar (**2020**), the UAE (2021), and the GCC as a whole (**2020**). Recent developments, such as the **arrival** of the first direct Chinese freight train to Iran's Aprin Dry Port and the ground-breaking of the long planned China-Kyrgyzstan-Uzbekistan Railway, underscore China's efforts to diversify routes for the Middle Corridor. These routes bypass Eurasian geopolitical flashpoints and maritime chokepoints, including South China Sea, the Indian Ocean, and the Suez Canal, while passing through the Middle East and South Caucasus.

While China's economic imprint is deepening in the Middle East, its role in crises remains carefully calibrated. During the recent Israel–Iran conflict, Beijing issued calls for restraint and condemned Israeli airstrikes as violations of sovereignty.

Meanwhile, it maintained communication with both sides and refrained from siding with or offering material support to Tehran. This reflects Beijing's long-standing posture of strategic non-entanglement, not disinterest. China's stake in regional stability is clear, with nearly **half** of its imported crude oil and a **quarter** of its Liquefied Natural Gas (LNG) imports originated from the region in 2024. However, China's energy supply system is more resilient than often assumed. Since **2021**, domestic sources—including coal, renewables, and hydropower—have covered over 80 percent of total energy needs of the country. Crude imports are buffered by strategic reserves and diversified suppliers, from Russia to Angola. In the event of a Strait of Hormuz **blockade**, China would suffer, but less than widely believed.

Beijing seeks influence through stability rather than intervention. China's regional diplomacy reveals a strategy of cultivating soft power while avoiding military entanglements. This is evident in its facilitation of the Iran–Saudi reconciliation in 2023, the mediation among fourteen Palestinian factions in 2024, and its role after the recent Iran–Israel and Qatar–Israel conflicts. Its long game is to be viewed as a reliable power broker facilitating integration without conditionalities. However, such a strategy has limits. It lacks a security arm, and in moments of acute crisis, the country's voice may be heard but not always heeded. The BRI offers economic anchorage, but its connectivity framework remains vulnerable during crises.

India's Corridor Initiatives

India's corridor strategy is driven not only by the need to balance China but also by hard-nosed national interests. Roughly **half** of India's total crude oil demand is fulfilled by the Gulf. New Delhi has also secured a 20-year LNG **contract** with QatarEnergy. These arrangements anchor India's Middle East posture in day-to-day energy security. Meanwhile, almost **half** of India's total emigrants overseas are residing in the GCC. They are a major source of remittances. Furthermore, India sources a notable share of its arms from the region. Israel is the one of its major arm suppliers of New Delhi. Between 2020 and 2024, New Delhi imported **13 percent** of its weapons from Israel. These connections with region give New Delhi a direct stake in regional stability and economic prosperity.

Announced at the 2023 G20 summit, IMEC envisions a multimodal route linking India to Europe through the UAE, Saudi Arabia, Israel, and Mediterranean ports. Since October 2023, the Gaza conflict has complicated timelines and optics around the corridor's western segments. Despite this, India and the UAE have continued to operationalise “soft” components—most notably a **Virtual Trade Corridor (VTC)** and the **Master Application for International Trade and Regulatory Interface (MAITRI)** data interface to speed customs. **Bharat Mart**, a mega export hub in Dubai under construction, adds a logistics foothold for Indian enterprises in the Gulf. India also reinforced its relationship with UAE

through a **Comprehensive Economic Partnership Agreement** in 2022, aiming to **lift** bilateral non-oil trade to \$100 billion annually by 2030. These initiatives cement connectivity, despite the region's volatile geopolitical landscape.

In parallel, the INSTC has seen a revival, reinforcing sanctions-resistant northbound corridor linking India, Iran, Azerbaijan, and Russia. The **Rasht–Astara railway**, jointly financed by Moscow and Tehran, remains the key missing link for seamless connectivity between Russia and Iran along the western coast of the Caspian Sea. Completion would allow trains from Central Russia to reach the Indian Ocean ports directly. Freight volumes **surged** in 2024, underscoring the corridor's commercial potential and strategic utility for bypassing the Suez Canal. Beyond trade, INSTC sustains working ties with Tehran at a time of shifting alignments. However, Iran's open **hostility** and Russia's **defensive** statements against the US-mediated Azerbaijan-Armenia peace agreement and the proposed new Trump Route for International Peace and Prosperity (TRIPP) could limit the corridor's wider impact.

India's diplomacy in the region blends alignment with the US and EU on standards and financing, and its pursuit of strategic autonomy as a Global South leader. India's corridor diplomacy strengthens ties with Saudi Arabia, the UAE, Israel and the EU through IMEC while engaging Iran, Russia, South Caucasus through INSTC. In multilateral forums like BRICS and Shanghai Cooperation Organisation (SCO),

while **refrained** from explicitly condemning Israeli military actions, India nonetheless called for restraint on the violence. This deliberate ambiguity reflects India's corridor diplomacy: connectivity over confrontation, optionality over exclusivity.

Middle East's Regional Agency

Regional states are not spectators to these initiatives. The UAE and Saudi Arabia have participated in both BRI and IMEC. They host Chinese smart infrastructure and digital trade zones while piloting Indian digital payments and supply chains. Israel frames IMEC as a peace corridor, linking it economically with Arab neighbours. Cyprus, a critical actor, has positioned itself as a European transit node under IMEC. Iran remains deeply suspicious of IMEC due to its Israeli element. Instead, it champions INSTC as a counter-corridor aligned with Russia and India. Meanwhile, Turkey has denounced its exclusion from IMEC and promotes the Iraq Development Road as an alternative through Basra and the Levant.

These divergent strategies highlight the Middle East's infrastructural pluralism. Regional actors are not simply choosing sides—they are maximising gains from multiple collaborations, constructing a corridor ecosystem that responds to the multipolar reality. This strategic engagement enables them to avoid overdependence on external actors, hedge against risks, and strengthen geopolitical positioning.

The success of BRI, IMEC, and INSTC should not be measured solely by funding

volumes or ribbon-cuttings. It should also be evaluated based on its institutional interoperability, logistical efficiency, and mutual trust. Furthermore, these initiatives should not be viewed in a zero-sum way. They present potential for pragmatic convergence via shared standards, interlinked routes, and coordinated response to crises.

As global supply chains reconfigure and the energy transition accelerates, the Middle East sits at the crossroads of an emerging order—one governed as much by fibre optic cables and digital currency as by oil and arms. Corridor diplomacy could offer an effective path to regional integration, provided it is grounded in mutual benefit and regional agency. Whether these corridor initiatives will compete or synergise depends less on Beijing or New Delhi, but more on Riyadh, Tehran, Abu Dhabi, Tel Aviv, and Ankara.

The next phase of Asia-Europe connectivity projects will not be forged in Beijing's ministries or New Delhi-hosted summits alone. It will be shaped in Gulf free zones, Levantine ports, and Iranian dry terminals—places where regional powers go beyond occupying space to actively shape the geopolitical landscape.

Hao Nan is a Nuclear Futures Fellow (2025-2026) with the Ploughshares Fund & Horizon 2045.

News Reports

Bilateral Relations

China says bilateral ties with India not impacted by third parties; calls US tariffs on India 'unfair'

New Indian Express, September 8

Chinese Ambassador Xu Feihong said that India-China ties are “not impacted by any third party.” The comment appeared aimed at dismissing speculation over Pakistan’s influence on China’s engagement with India.

‘Incorrect’: MEA denies ‘secret letter’ from Xi Jinping amid thaw in China ties

Hindustan Times, September 6

India’s foreign ministry denied a Bloomberg report claiming a ‘secret letter’ from Xi Jinping to President Murmu spurred a thaw with China and called the story “incorrect.”

China military parade live updates: Xi unveils new weapons as Putin, Kim Jong Un attend 'Victory Day' event

NBC News, September 3

Chinese President Xi Jinping was joined by leaders from a host of countries at odds with the US and its allies, but PM Modi skipped it during his first China visit in seven years. India’s security ties with the US and regional sensitivities likely influenced the absence.

India and China are victims of terrorism, PM Modi tells Xi, in a shift from recent positions

The Hindu, September 1

PM Modi raised the Pahalgam attack with Xi Jinping, seeking China’s support, says Foreign Secretary. He framed India and China as “victims” of terrorism, urging joint action against cross-border threats.

China and India in the Region

US reaffirms India as counterweight to China despite trade rifts, Pakistan concerns

South China Morning Post, September 25

A senior US State Department official said India remains a democratic counterweight to China in the Indo-Pacific, dismissing suggestions that trade disputes have altered this stance under President Trump.

India and China vie for Global South leadership at UN gatherings

South China Morning Post, September 25

India and China held separate meetings with Global South countries at the UN General Assembly. Beijing promoted its Global Development Initiative and pledged WTO reforms, while New Delhi stressed south-south cooperation and framed itself as a democratic alternative to China.

'Heart-rending': PM Modi expresses concern over Nepal unrest; appeals for 'peace and prosperity' amid protests

Times of India, September 9

PM Modi expressed deep concern over escalating unrest in Nepal, calling the violence “heart-rending” and urging peace.

'India urges BRICS to tackle deficits as bloc rallies against U.S. tariffs

CNBC, September 9

India urged BRICS members to address trade imbalances, noting its largest deficits are with fellow bloc partners. The call came as BRICS rallied against US tariffs affecting both allies and rivals.

Trade and Economy

India continues to buy more from China as cheap exports pour in

Economic Times, September 23

India's imports from China hit a record \$12.5 billion in August, fuelled by Apple suppliers shifting iPhone production to India. Despite the move, reliance on Chinese parts and tooling keeps Beijing's exports high.

China's SAIC to cut stake in India car venture amid investment curbs, sources say **Reuters, September 18**

China's SAIC Motor will slash its 49% stake in its Indian joint venture and halt further investment, five people said, the latest sign of how political tension between the Asian neighbours is spilling over into business.

India taps Myanmar rebels for rare earth supply amid China's tight control **Business Standard, September 10**

India is exploring sourcing rare earth minerals from Myanmar with Kachin Independence Army (KIA) support, seeking alternatives to China. State and private firms have been asked to collect and transport samples from KIA-controlled mines.

India revs up alternate EV motor tests as China curbs rare earths exports **Reuters, September 9**

Sterling Gtack E-Mobility is testing an EV motor that avoids rare-earth magnets, aiming to reduce India's dependence on China. The technology could be transformative for India's car market, which has been heavily affected by Chinese export curbs.

Energy and Environment

After sanctions, Indian oil refiner Nayara's exports find new markets

Reuters, September 26

Russia-backed Nayara Energy has resumed overseas sales after a two-week pause, exporting oil products via sanctioned tankers to new markets. The Indian refiner was hit by EU sanctions on July 18 for dealing in Russian oil, LSEG and Kpler data show.

India pushes back against Trump pressure: Russia crude imports rise to \$3.4 bn, close to China's \$3.64 bn

Times of India, September 12

India's Russian crude imports rose to \$3.4 billion in August, nearly matching China's \$3.64 billion, despite US pressure to stop purchases.

Petrobras CEO touts strong demand from China, India

Reuters, September 3

Brazil's Petrobras CEO Magda Chambriard said strong demand from India and China could shield the company from potential US oil tariffs.

UN pushes EU, many nations including China, India to submit overdue climate plans

Straits Times, September 3

The UN on September 3 urged countries lagging on climate plans to submit them quickly, with major polluters still pending. Nearly 200 Paris Agreement members were due in February, but six months later, China, India, and the EU have yet to update their policies.

Analyses

India Doesn't Want to Need China

Foreign Affairs, September 24

By Tanvi Madan, a Senior Fellow in the Foreign Policy Program at the Brookings Institution

India knows strained ties with Washington weaken its leverage against China, which is why it still seeks accommodation with Trump. If US pressure continues, New Delhi will eventually recalibrate its foreign policy in ways less favourable to American interests.

The EU won't tariff China and India to please Trump. But it is working on a counteroffer

Atlantic Council, September 19

By Charles Lichfield, Deputy Director and C. Boyden Gray and Senior Fellow of the Atlantic Council's GeoEconomics Center

Europe aims to sustain sanctions on Russia while avoiding Trump's tariff demands, which risk alienating China and India. Instead, coordinated US-EU measures could pressure Moscow without undermining European ties with Beijing and New Delhi.

Trump tariffs prompt India to rethink China ties

East Asia Forum, September 18

By Amit Ranjan, a Research Fellow at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore (NUS)

Trump's 25% tariffs on Indian exports over Russian oil are pushing India cautiously toward China. Talks have eased trade tensions and emphasised border stability, but deep challenges like the trade deficit, border disputes, and China-Pakistan ties remain.

Fears of an India-China-Russia Alliance Are Overblown

The Wall Street Journal, September 10

By Sadanand Dhume, a Resident Fellow at the American Enterprise Institute in Washington, D.C.

At the SCO summit in Tianjin, India's participation alongside China and Russia sparked speculation of a Eurasian alliance. In reality, longstanding border disputes with China and cautious ties with Russia make such an alliance unlikely.

India-China Latest Understanding: Nepal Feels Betrayed

ISAS Briefs, September 3

By Dr Puspa Sharma, an independent foreign policy analyst

Nepal has protested the India-China decision to resume border trade through the Lipulekh Pass, which it claims as its territory. The dispute can only be resolved if India and Nepal engage in dialogue and diplomacy rather than pursue unilateral actions.

What the Modi-Xi Meeting Was Really About

Foreign Policy, September 3

By Michael Kugelman, writer of Foreign Policy's weekly South Asia Brief

Modi's visit to China reflects the culmination of a year-long effort to ease bilateral tensions rather than a knee-jerk response to U.S. tariffs. Still, worsening U.S.-India ties may accelerate New Delhi's engagement with Beijing through SCO and BRICS, even as the two remain strategic competitors.

Books and Journals

Perceptions, Positions and Realities in India–China Relations: A Zero-sum Game of Repeated Distrust

Journal of Asian Security and International Affairs, September 2025

By Josukutty C Abraham, a Professor and Head, Director School of Social Sciences, Campus Director, Director UGC-MMTTC, and Hon. Director Survey Research Centre, Department of Political Science, University of Kerala; and Amina Reem VP, a Researcher at Department of Political Science, University of Kerala

The relationship between India and China has been influenced by their cultural inheritances, historical viewpoints, territorial stances, and current circumstances, creating prolonged uncertainty and profound suspicion spanning more than seventy years. This challenge, originating from questions about supremacy and cultural pre-eminence, manifests in territorial conflicts and later expands to encompass wider strategic considerations and manoeuvres amid Asia's ascendance. These accounts are marked by suspicion, leading bilateral engagements, particularly along territorial boundaries, to follow zero-sum game dynamics. The framework of Prisoner's Dilemma (PD) theory, utilising a conventional four-by-four payoff matrix, helps illuminate the complexities of this unpredictable and zero-sum pattern in India–China relations. The analysis suggests that the PD framework has

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become embedded in India–China conduct, originating from cultural and historical viewpoints through territorial conflicts and extending into present-day geopolitical dynamics of competition and rivalry. This accounts for why India–China relations remain unresolved. The perspective holds that the persistent friction between India and China stems from divergent viewpoints and stances, forcing them to select a dominant strategy driven by individual rationality rather than achieving a Pareto-optimal outcome through collective rationality.

Our team



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The Centre on Asia and Globalisation is a research centre at the Lee Kuan Yew School of Public Policy, National University of Singapore. It conducts in-depth research on developments in the Asia-Pacific and beyond, and aims to provide academics, decision-makers, and the general public with objective analysis on issues of regional and global significance. The Centre's motto "Objective Research with Impact" reflects its commitment towards ensuring that its analysis informs policy and decision makers in and about Asia.

OTHER CAG PUBLICATIONS

- *Indira Gandhi and the Years that Transformed India* by Srinath Raghavan (Yale University Press, 2025)
- *Partnership or Polarization? Southeast Asian Security between India and China* edited by Evan Laksmana and Byron Chong (Contemporary Southeast Asia, 2023)
- *Asian Conceptions of International Order: What Asia Wants* edited by Kanti Bajpai and Evan Laksmana (International Affairs, 2023)
- *How Realist Is India's National Security Policy?* edited by Kanti Bajpai (Routledge, 2023)
- *Deterring Conflict and Preserving Peace in Asia* edited by Drew Thompson and Byron Chong (Centre on Asia and Globalisation, 2022)
- *What Can the United States Learn from China about Infrastructure?* by Selina Ho in *The China Questions 2* (Harvard University Press, 2022)
- *India Versus China: Why they are Not Friends* by Kanti Bajpai (Juggernaut Books, 2021)
- *Winning the Fight Taiwan Cannot Afford to Lose* by Drew Thompson (Strategic Forum, 2021)



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