



## Security Implications of the Iran-China Deal

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BESA Center Perspectives Paper No. 2,019, May 10, 2021

**EXECUTIVE SUMMARY:** The implications of the newly signed Sino-Iranian deal go beyond economics. The deal also covers security matters pertaining to intelligence and military cooperation that provide both Iran and China with advantages over rival states.

### The history of Sino-Iranian relations

During the rule of Muhammad Reza Shah Pahlavi, the Sino-Iranian relationship was strained. At a time when socialist countries in the Middle East were moving quickly to establish diplomatic relations with China (Egypt and Syria in 1956 and Iraq in 1958), Iran had close ties to Western countries and recognized Taiwan as a sovereign state. However, as the ideological and political distance expanded between China and the Soviet Union in the 1960s, Tehran and Beijing found they had a common rival in Moscow and grew significantly closer.

Sino-Iranian relations continued to grow, and in 1971 the two states established formal diplomatic relations. In 1973, Iran sent its first ambassador to Beijing.

In September 1978, when Iran was in turmoil, the Premier of the People's Republic of China, Hua Guofeng, visited Iran as a show of support for the Shah. China perceived Iran as a major political and economic actor in the Middle East that played an important role in keeping the region stable while balancing between East and West. During his visit, Guofeng warned the Shah "against joint Soviet-American interference in Iran and their collusion in destabilizing the country."

After the fall of the Shah, Sino-Iranian relations continued to improve. The new Islamic regime saw both the US and the Soviet Union as antagonists, not

least because of their support for Iraq in the Iran-Iraq War. The Soviet Union, which had initially claimed to be neutral, provided Saddam Hussein with support during the last years of the war. Although the relationship between Iran and Russia is cordial today, Tehran knows it cannot rely solely on Russian support in times of crisis, especially in the face of US sanctions. By strengthening its relations with China, the regime hopes to create a [triangular alliance](#) that will benefit its position in the Middle East and toward the West.

For Beijing, Iran is strategically located between China and Europe and is therefore a vital country for the Belt and Road Initiative. Iran helps China expand its influence in the Middle East, a region that contains a vast quantity of energy resources that China needs.

The Chinese focus on the Middle East is not only about energy resources and economics. The region is also important to Beijing from a military-strategic standpoint. China has long viewed the Middle East as a buffer zone against foreign aggression on its western frontier.

The Sino-Iranian relationship, driven by common economic and security interests, has been friendly for five or six decades. In view of this fact, the newly signed Iran-China deal should not come as a surprise.

### **The 25-year deal**

On Saturday, March 27, 2021, the FMs of Iran and China signed the Sino-Iranian deal, known as the Joint Comprehensive Strategic Partnership between the Islamic Republic of Iran and the People's Republic of China. The deal covers 25 years of cooperation between the two states and helps Iran break the international isolation it has been suffering through US sanctions. The deal also helps China expand its global influence.

It is believed that the deal will provide China with a highly discounted supply of Iranian oil. In exchange, it will invest \$400 billion in Iranian infrastructure, from telecommunications and information technology to health and transport systems. Of course, because of the Islamic regime's [unwillingness to improve the lives of the Iranian people](#), these Chinese investments will primarily, if not solely, benefit the regime's elites.

Beyond the deal's economic features, it has important security aspects pertaining to intelligence and military collaboration. While the economic prospects of the deal should by no means be ignored (as economic power is critical to political and military power), the security collaboration stipulated in the deal deserves equal attention. This collaboration would strengthen the position of the Islamic regime both in Iran and in the Middle East while

enhancing China's global position by enabling it to wield immense influence in the Middle East region.

With respect to military cooperation, the deal [outlines](#) joint training exercises as well as research and weapons development. While Iran and China [already](#) have a well-established military cooperation, the deal will institutionalize it even more.

Intelligence sharing is another aspect of the security collaboration between Iran and China as presented in the deal. While this aspect remains secret for obvious reasons, it is more likely that China will have a large role in Iranian intelligence and counterintelligence than the other way around. Through Iran, China will be able to collect intelligence more easily concerning geopolitical changes and threats in the Middle East. [Iranian intelligence](#) and the Islamic regime's [Quds Force](#) are highly active and have established a region-wide intelligence network that can benefit Chinese interests.

### **Implications of the deal**

The Islamic regime in Iran has experienced numerous [intelligence and counterintelligence failures](#) over the last decade. To a large extent, this is due to the regime's destruction, out of fear of coups, of the Iranian military and intelligence community after the Islamic Revolution of 1979. Over its 40-year tenure, the regime has mainly leaned on the tools of violence, torture, and [assassination](#) to gather intelligence and neutralize threats.

The regime understands that effective intelligence and counterintelligence are vital for its survival. To reform and improve these areas, Iran recently signed an [intelligence pact](#) with Russia. The intelligence collaboration stipulated in the deals is in alignment with this goal. The Sino-Iranian deal will give Iran access to Chinese technology, training, and expertise, and will contribute to stronger Iranian intelligence and counterintelligence.

Iran is highly active in the region as well as in Europe and the US with regard to [espionage, terrorism, and destabilization](#), and there is no doubt that the Iran-China deal will boost its intelligence and counterintelligence capabilities and thereby make it more aggressive. This will have serious ramifications for the Iranian opposition, as the Islamic regime will be more effective against its opponents. The Islamic Republic will become more robust and forceful as a result of the deal.

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