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What's China's Business in Iran-US/IsraelConflict?

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Abstract

China-Iran relationship can be traced back to the dynastic era of China's Yuan and Ming Dynasty as both countries fostered a golden age of interaction that included trade, diplomatic missions and artistic exchange. This paper examines China's role in the protracted Iran-US/Israel conflict with the aim of understanding the multiple roles it plays in the region and the conflict. This study explores China's strategic mission as including acting as a diplomatic player, an economic lifeline, a military and technological adversary to Iran. This research adopts a qualitative research methodology by adopting descriptive case study approach. Data were collected from secondary sources, through data extraction from academic, government and online sources to depict and comprehend China's character in the imbroglio that engulfed Iran-America/Israel nations. Findings reveal that China's core interest in Iran resides in its ability to access its crude oil for its manufacturing sector on the mainland. Similarly, it shows that China intended to challenge the existing global petro-dollar system by internationalizing the Yuan as the currency adopted for crude purchases globally. Additionally, Iran remains a central focal point for China to achieve its international and foreign policy of the Belt and Road Initiative (BRI) that aims to offer connectivity of the Mediterranean Sea and Europe with China. Furthermore, it was observed that China promoted multilateralism in the de-escalation of the hostility in the region by acting as a global mediator while promoting peace, security and development across the world. The Strait of Hormuz remains a global route for access international energy and several countries of the whole; therefore, any instability in the strait will send many economic and financial shocks across the globe. This paper concludes that China's interest in the conflict is multi-dimensional ranging from economic, diplomatic, strategic, financial and humanitarian proportions.

Keywords: Diplomatic, strategic, economic, infrastructural and Yuan Internationalization

Introduction

The Middle East is an important arena of US-China competition, the US has decades of security presence in the region, close alliances with Israel and Saudi Arabia and has been involved in multiple conflicts in the region. China on the other hand is an emerging stakeholder in the region. It has developed economic ties with its Belt and Road Initiative, weapon supply aerospace and digital infrastructure supply and high profile mediation efforts (Reeves, 2025). China's business in the Iran-US/Israel conflict was critical and strategic and includes behind-the-scenes role of acting as Iran's primary economic lifeline, acting as a diplomatic hedge, and providing covert technical and military support to Iran. Indeed, China and Iran have been strategic partners for many years and the business of China in the Iran-US/Israel conflict remained the survival of Iran and the protection of the strategic interests of the two countries (Okonkwo 2025: 2). In that connection, China did all it could, covertly or overtly, to ensure that Iran was not annihilated by the combined forces of US and Israel while at the same time ensuring that its economic and strategic interests in the Iranian orbit were protected and secured. These interests included continuous shipments of crude oil and other essential commodities through the Strait of Hormuz despite the blockade of the strait by Iran, the use of Chinese currency, the Yuan by Iran in many of its global transactions due to limited access to US dollars by Iran, supply of strategic weapons to Iran to enable the country protect itself against US and Israel

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as well as continuation of overland commercial and economic transactions with Iran through the China-Iran 10,400-kilometre transcontinental trade and energy railway corridor connecting central Chinese cities such as Xi'an and Xianyang to the Aprin dry port in Tehran, Iran, an overland route that slashes delivery times between the two countries to just 15 days, avoiding maritime choke points to ensure availability of essential commodities to the country.

The first half of 2026 witnessed escalations in the conflict between the United States (US) of America and Iran, with US ally, Israel, actively participating in the various attacks that claimed the life of the Iranian Spiritual Leader, Ayatollah Ali Khamenei, along with several senior military officials, including members of the Iranian Revolutionary Guard Corps (IRGC). The first major conflict, which started on 28 February 2026, was described as "Epic Fury", a "massive" and "coordinated" operation targeting numerous locations across Iran, including Tehran, with reports of attacks on at least nine cities. The objective of the attacks was to "eliminate imminent threats from Iran" and weaken the military capabilities of the Iranian regime. Operation "Epic Fury" was a follow up to the 22 June 2025 US Operation "Midnight Hammer", which involved the striking of three Iranian nuclear sites (Natanz, Fordow, and Isfahan) with bunker-buster bombs, causing severe damage. By early May 2026, the US-Iran conflict had reached a tense standoff or deadlock with a conditional ceasefire in place since 8 April 2026. While major airstrikes paused, tensions remained high over Iranian nuclear programmes, naval blockades, and Iranian restrictions on the Strait of Hormuz. However, one country outside the US-Israel-Iran orbit that was strategically and economically concerned about the conflict was China. This brings us to the issue as to what China's business in the Iran-US/Israel conflict was? Could it be that China is playing "contemptible roles…in fuelling a subsisting conflict"? (Okonkwo 2025: 2)

The Iran-US conflict was a large-scale military conflict connected to the long-term nuclear tensions between the US and Iran with the former seeking to degrade Iranian capabilities to produce nuclear weapons that could threaten the existence of Israel in particular and world peace in general.[1]However, Iran responded to US aggression through different economic and strategic measures. Firstly, the country retaliated by striking US bases in the neighbouring Arab countries with adverse effects on the entire Gulf Region, including countries such as Bahrain, Kuwait, Qatar, Saudi Arabia, United Arab Emirates (UAE), as well as Israeli territory. Secondly, Iran blockaded the Strait of Hormuz, a major choke point, severely affected the number of ships passing through the strait dropping by 83%, with severe effects on the supply of crude oil and gas (20% of global supply), fertilizer and pharmaceutical, especially critical, life-saving, and vaccine shipments. Indeed, Iran's blocking of the Strait of Hormuz caused severe disruption to global energy, forcing countries across the world to implement emergency measures due to a massive oil and liquefied natural gas (LNG) supply shortfall. It is believed that the disruption exceeded the 1970s crises, leading to a surge in energy prices.[2] These various layers of the impact of the conflict appear to have been successfully managed by China in its favour.

In order to address the various issues connected with China's role in the Iran-US/Israel conflict, the paper is structured as follows: China's Business in the Iran-US/Israel Conflict,

China's Business in the Iran-Israel/US Conflict

China has grown from a regional player to a global player in the committee of nations today, its influence often has strategic ambitions and goals that will assist China in achieving its economic, political and social goals. China has multi-faceted business and concern in the Iran-US/Israel conflict and the country's roles in the conflict cut across the economic, diplomatic, ideological and strategic spheres. Indeed, China's strategic global diplomacy was further boosted in May 2026 with the visit of President Donald Trump to the country as leaders of both countries agreed during talks in Beijing that the Strait of Hormuz should remain open to international maritime activities to ensure global energy supplies. In particular, President Trump and his Chinese counterpart, President Xi Jinping underscored the importance of smooth navigation across the strait during their bilateral talks in Beijing, stressing the need to allow for the free flow of energy.

China's Economic Interest in the Iran-US/ Israel Conflict

It cannot be gainsaid that China has always had strategic economic interest in the affairs

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of Iran and its neighbors. China-Iran commercial, cultural and economic engagements dates back to the period of the Persian Empire when the two powers maintained centuries of indirect and direct interaction via the Silk Road and maritime routes, reaching peaks of exchange during the Han (206 BCE – 220 CE), Tang (618–907 AD), and Mongol-led Yuan (1271–1368) dynasties. They exchanged trade goods, technologies, and musical arts, with significant Persian settlement in Chinese coastal cities and intense diplomatic ties between them. Specifically, during the second century BCE, formal contacts between the two powers began when Han Dynasty envoy Zhang Qian (c. 164–114 BC), exploring westward to secure alliances, reported on the powerful Parthian Empire. Qian was a pivotal Han Dynasty diplomat and explorer whose second century BC missions to Central Asia opened the Silk Road, connecting China with the West. He was sent by Emperor Wu to seek alliances against the Xiongnu nomads and endured years of captivity but brought back critical intelligence, leading to increased cultural and trade exchanges between China and communities in Central Asia. In addition, during the period of the Silk Road, vital goods such as Chinese silk and porcelain were exchanged for Persian warhorses, musical instruments, and metals. Also, Persian musical and artistic influences were strong in China, especially during the cosmopolitan Tang Dynasty (618–907). However, while the relationship between China and Persia was largely peaceful, major clashes occurred, such as the Battle of Talas in 751, where Chinese forces fought an Abbasid Caliphate army (representing Persian-Arab forces), hindering Chinese expansion into Central Asia.

The Battle of Talas was an armed confrontation between the Abbasid Caliphate, along with the Tibetan Empire, against the Tang dynasty and its allies. The confrontation took place in July of 751 at the Talas River over control of the regions surrounding the Syr Darya. The Tang army under Gao Xianzhi was defeated by the Abbasid army under Ziyad ibn Salih and Karluk mercenaries. The defeat marked the end of Tang's influence in Transoxiana (that is lower Central Asia roughly corresponding to eastern Uzbekistan, western Tajikistan, southern Kyrgyzstan, parts of southern Kazakhstan, and of Turkmenistan) and halted Tang's westward expansion. However, the armed conflict did not bring about the end of the relationship between the two powers. In fact, after the battle, the caliph dispatched an envoy to the emperor, who arrived in December 752 to negotiate the restoration of diplomatic relations. Thereafter, the Yuan dynasty fostered intense interaction with Persians and Arabs, employing Persian scholars and creating an "Imperial Muslim College" in China. Also, Persian was used as a lingua franca by Chinese administrators, and many Persians served in the Yuan court. In addition, Persian and Arab merchants heavily utilized trade routes through the Indian Ocean, establishing significant communities in Chinese ports such as Guangzhou and Quanzhou in Fujian Province, the starting point of the ancient Maritime Silk Road, a trend that continued into the early 14th century.

During the Ming Dynasty (1368–1644) period, China and Persia (Timurid and later Safavid dynasties) engaged in significant trade, artistic exchange, and diplomatic missions, fostering a "golden age" of interaction. For instance, the famous Ming dynasty admiral, Zheng He visited the Persian Gulf several times, promoting trade and diplomatic relations. This led to the export of Chinese blue-and-white porcelain to Persia, the import of Persian cobalt ("Mohammedan blue"), which became essential for Chinese porcelain, while Persian ceramics began copying Chinese designs. In fact, there was artistic exchange between Chinese and Persians in their art styles while major maritime trade voyages took place between the two of them, leading to the expansion of both land (Silk Road) and maritime routes, with Persian traders acting as key middlemen between Chinese and Central Asian traders and the Ming court using Persian as a diplomatic language for Central Asian interactions. There was also exchange of astronomical instruments, medicine, and technologies between them and there were reports that the Safavid dynasty (1501–1736) in Persia highly valued Chinese blue-and-white ware, which heavily influenced local Persian ceramics.[3]

However, contemporary China's economic interest in Iran centered on the country's desire to secure cheap crude oil for its manufacturing sector as well as market for its manufactured goods. Indeed, before the 2026 outbreak of hostility between Iran and US/Israel, China purchased between 80% and 90% of Iran's crude exports, making China the largest buyer of Iranian oil, often at discounted prices. This provided a crucial financial lifeline to Iran on the one hand and Chinese factories on the other. The trade was largely conducted in Chinese yuan to bypass US sanctions and it

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involved a "shadow fleet" of tankers and independent Chinese "teapot" refineries. In that connection, by 2026 China imported up to 1.4 million barrels per day (mbd) from Iran, accounting for roughly 12%–13% of its total crude imports by sea. It should be stressed that much of the oil was bought by private, small "teapot" refineries in Shandong Province, rather than large state-owned companies, ostensibly to evade Western sanctions.[4]

The above situation made China to foster a strategic partnership with Iran despite the numerous economic sanctions from the US. Therefore, despite the Iran-US/Israel conflict and increased tensions in the Gulf Region, China continued to buy Iranian oil, even at times using it to bolster its own stockpiles. Also, there were reports that Chinese refiners even bought Iranian oil at premiums to Brent, highlighting the strong demand for this oil. Hence, China perceived the Iran-US/Israel conflict as a major threat to its economic interest since it was capable of destabilizing the country's key energy supplies in the Strait of Hormuz. Besides, the conflict was considered negative on the 25-Year Pact or Cooperation Agreement between China and Iran, which was signed in 2021to secure a steady supply of oil for China in exchange for massive investments in Iran's infrastructure and energy sectors. This explains why China tried to balance its role as a "peaceful mediator" between Iran and US/Israel with the aim to safeguard its economic stakes in Iran. Also, the visit of the US President Donald Trump to China from 13 to 14 May 2026 and the attention paid to the Iranian conflict by the leaders of the two countries demonstrated US belief in China's capacity to mediate in the Iran -US/Israel conflict.

Furthermore, based on reports by some tanker tracking bodies such as Vortexa, which is an advanced cargo tracking for oil and gas trade, which tracks $3.4T in global energy flows with 99% accuracy and real-time vessel analytics,[5] and Capella,[6] there were indications that China got from Iran between 1.4m and 1.7m barrels of crude oil a day. On the basis of this, it was in the interest of China to ensure the survival of Iran because if Iran fell, China's de-dollarization experiment may fall as well. Besides, the fall of Iran could mean that China's alternative international currency reserve strategy could suffer some setbacks. This would definitely affect China's real challenge to American monetary power or hegemony.

With respect to global crude oil supply, there are indications that China bought its crude oil from Iran at a discount of a quarter of market prices for many years.[7]There are also indications that in Shandong coast where Chinese refineries are arranged in clusters, the investors depended on discounted crude oil supply from Iran which were not registered in official quarters. The refineries were known as teapots and were small, privately registered businesses. The refineries processed between 30%-40% of all the crude oil that entered mainland China. The ships carrying the crude oil operated under shadow fleet and almost all of them utilized Iranian and Russian oil. Observers believe that Iranian crude oil discounts or subsidy for China was one of the unspoken reasons the Chinese built electric vehicles that could be sold at a price German automaker could not match without going bankrupt. That means that it is not only the cheap labor cost or the state subsidy programme that is fueling China's cheap products; Iranian cheap crude is a major factor to consider for the development. However, since no other major country was willing to violate Western sanctions against Iran and its ally Russia, China seized the opportunity to do business with the two countries.

Moreover, the payment for Iranian crude oil was usually settled in Yuan or RMB. Normally, crude oil is priced and paid for in dollar. It is this arrangement that props up American interest rates, American debts and American sanctions power. Nations have identified the need to keep a dollar reserve for the purpose of fuel importation. That means every country on earth is in a quit and continuous way and they must all pay tribute to the Federal Reserve of the United States. In this connection, Iran's apparent rebellion against the petrol-dollar crude oil economy was like breaking the chain of US perpetual dominance of the international economic order.

Arising from the above discussion, it can be argued that China's attempt to break the monopoly of the US dollar was a major connection between the country and Iran. In March 2018, the Shanghai International Energy Exchange (SINE) launched a Yuan-dominated oil futures contract.[8] This was China's first serious attempt to establish an Asian oil price benchmark. It witnessed a strong take-up, grabbing a spot market share of around 6% versus international Brent and US West Texas Intermediate (WTI), taken equally from both benchmarks. It was observed that despite the

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successful launch, Shanghai crude futures were fraught with problems preventing them from becoming an efficient hedging tool for oil producers and, ultimately, a benchmark on par with Brent or WTI. For instance, one of the main issues was a lack of international market participants. Firstly, it was observed that most participants in Shanghai crude futures were Chinese individuals who did not trade on market fundamentals.[9] Secondly, it was observed that the platform was "a Chinese market for the Chinese, not a Chinese market for a global trading audience".[10] Thirdly, it was observed that SINE had incompatible trading hours with the rest of the world, including two short sessions between 0100 and 0700 GMT and a night session, and limited physical deliverability of its underlying crude grades in China.[11] Lastly, it was argued that inconsistent trading volumes connected with SINE made it difficult to use Shanghai crude as a financial hedge.

Expectedly, the Western press treated SINE as a curiosity. Nevertheless, by 2024 the volume of financial transactions settled through SINE and through the Cross-Border Interbank Payment System (CIPS), launched in China in 2015 to internationalize Yuan use, was running at hundreds of billions a year, the single largest stream feeding being Iranian crude oil sale. It that connection, SINE allowed global banks to clear cross-border Yuan transactions directly onshore, instead of through clearing banks in offshore Yuan hubs.[12]

Whatever the case, Iran was the first major exporter to sell crude oil in Yuan and accepted it as its financial settlement. This meant that Iran bypassed the dollarization of international crude oil economy as well as avoiding the SWIFT system. SWIFT means the Society for Worldwide Interbank Financial Telecommunication. Founded in 1973, Belgium-based SWIFT is used by banks globally for cross-border financial transactions. It is a secure, global messaging network facilitating cross-border payments, securities, and trade transactions for over 11,000 financial institutions in 200+ countries. SWIFT does not transfer funds directly but sends standardized payment instructions (using BIC/SWIFT codes) to enable reliable international bank transfers. In this connection, China appeared to have used Iran to test its de -dollarization experiment.

Iran's Strait of Hormuz Strategy and China's Trans-National and Maritime Immunity

It can be argued that the shape of China's global strategy hangs on its access to the Strait of Hormuz during the Iran-US/Israel conflict. Indeed, while many ships struggled to pass through the strait, China-bound ships were allowed passage by the Iranian authorities during the period of active conflict as well as during the period of the ceasefire. It should be noted that China was not the first major power outside Iran to realize the strategic importance of the strait. For instance, the Portuguese fleet under Afonso de Albuquerque reached the Strait of Hormuz in 1515. Thereafter, Portugal controlled the strait for about 107 years and merchants paid a tax to the Portuguese. Indeed, Portugal became the financial capital of the world partly because of its control of the strait. This drew envy from other powers across the world. In 1622, a combined Persian and English fleet snatched the rock out of Portuguese hands.

In early April 2026 when the conflict between Iran and US/Israel escalated, Iran's blockade of the Strait of Hormuz spiked fuel and food prices, creating international energy shocks across several countries. However, the situation appears not to have completely unsettled China as Iran demanded for toll payment for Strait of Hormuz in RMB (Yuan) or in crypto currency. For instance, there were reports of ships paying the equivalent of $2m dollars each to pass through the strait.[13]

To a large extent China was largely protected from the oil crisis caused by the closure of the Strait of Hormuz in particular and the Iranian conflict in generally because it had direct access to Russian oil as well as the fact that the country had a huge oil reserve. Furthermore, many of China's ships were allowed to pass through the Strait of Hormuz by the Iranian authorities because the country was considered as one of the friendly countries allowed access through the strait.

No doubt, the blockade of the Hormuz Strait was considered the worst energy crisis in history. Based on assessments in the first week of April 2026, the blockade of the strait was considered more serious than the 1973, 1979, and 2022 energy crises combined. This is because the global market faced an unprecedented disruption to energy supplies of approximately 11 to 12 million barrels per day (mb/d) of oil, surpassing the combined disruptions of the 1970s shocks (5 mb/d each). Besides, about 20% of the world's oil

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and gas (approx. 20 million bpd) usually passes through the strait daily. Hence, the closure by Iran led to surging energy prices, including Brent crude topping $110–$120 per barrel in April 2026. The crisis also caused severe disruption in LNG, with around 17% of Qatar's LNG export capacity being halted due to infrastructure damage, leading to a substantial decrease in global LNG supply. The event represented a significant escalation in global energy insecurity due to the high volume of crude oil (roughly 38% of global seaborne trade) and Liquefied Natural Gas (LNG) (approx. 20%) that passes through the strait. As a result of this development the International Energy Agency (IEA) announced the release of 400 million barrels from strategic reserves, the largest coordinated release in history, to counter the supply gaps. Yet, the energy price crisis remained largely unabated by May 2026.

Indeed, the efforts by the IEA did not completely obliterate the effects of the shortage of the supply of crude oil and LNG. For instance, the price of gas in the US hit $4.14 a gallon. Many American families, farmers, business owners, truckers and others struggling to cope with economic difficulties were forced to absorb the aftermath of the Iranian War.

On the part of China, the choke point of their economic and strategic survival was not just the Strait of Hormuz but the entire Iran itself. Indeed, Iran is very strategic to China's new international and foreign policy of Belt and Road Initiative (BRI), which connects China to Iran, then to the Mediterranean Sea and Europe. To a large extend, this is a major part of the BRI that can be hidden from the direct control of the United States. For instance, the Iranian section of BRI is one of the major parts of the route or artery China actually controls end-to-end. In other words, it is the single overland artery that let Chinese cargo reach European markets without crossing a body of water any American admiral cares about. Interestingly, without Iran that corridor is geographically impossible. In line with this development, in 2024 the first commercial freight train was constructed by the Chinese authorities to run from Xi'an to Tehran loop in fifteen (15) days. In contrast, it can be observed that a vessel making the equivalent journey through the South China Sea, the Indian Ocean, the Suez Canal and the Mediterranean Sea would take between 35 and 45 days. Hence, the Iranian side of BRI cut transit time by half and cut maritime insurance premiums by 60%. If the issue of the influence of the American navy is considered, the Iranian corridor can be considered as a major bridge between the country and China. That means that if the sea route to Europe is disrupted or becomes affordably, the Iranian corridor of BRI becomes inevitable. Besides, in 2021 Chinese authorities and their Iranian counterpart signed an agreement to guarantee that any Iran's regional disruption agenda would be in directions that do not hurt Chinese interests.

Furthermore, the most single expensive Chinese project outside China involved the construction of the Port of Gwadar in Pakistan's border with Iran. The project was supposed to be the ChabHar twin, which is the western anchor of the corridor in India, only 44 miles from Gwadar on the Iranian border. It would appear that Indian authorities understood the map the same way as China. They were aware that whosoever controlled the Iranian coast controlled the entire western flank of Euro-Asian trade. To the Chinese, a hostile Iran would make the port of Gwadar useless to manage. Besides, as a result of China's infrastructure investment in Iran, the Chinese appear to be obligated to defend an Iranian regime they did not contribute to choosing. For instance, in 2023 when China brokered peace between Saudi Arabia and Iran, China was trying to win a pro-Western power on the side of Iran for its own interest.

In all, China agreed with US that the Strait of Hormuz should be opened to all ships and countries. For instance, President Xi Jinping advised both US and Iran that the Strait of Hormuz should "…remain open to normal passage, as this serves the common interests of regional countries and the international community".[14] This position of China would allow the country to reap some political, normative, and reputational advantages where dissatisfaction with America and its allies in could allow China to play significant roles in the rebuilding of the Gulf States at the expense of the US.

Diplomacy and China's Quest for Multilateralism

As far as the Iran-US/Israel conflict is concerned, China has pursued a calculated diplomatic approach to the conflict by maintaining close ties with Iran while positioning itself as a neutral global mediator supporting de-escalation of hostility and peaceful resolution of the conflict. This

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position underscores the fact that "The individual and the society are indeed interlaced" (Okonkwo 2023, 64-65). This is mainly in alignment with China's focus on international relations and diplomacy, which is driven by their desire to promote multilateralism as a way to encourage peace, security and development across the world. Like the United Nations, China believes that the major super powers should encourage multilateralism as a way to promote interdependence among nations. In the words of former Secretary-General of the United Nations, Ban Ki-moon, "More people and governments understand that multilateralism is the only path in our interdependent world," because "Global problems demand global solutions- and going it alone is not a viable option".[15]

Since the beginning of the twenty-first century, China's approach to international relations has been dictated by its insistence on diplomacy and multilateralism rather than unilateralism and the use of force as exemplified by the various activities of the United States in some parts of the world.[16]With respect to the Iranian conflict, China's diplomacy weighed more on non-kinetic approaches. However, even when China avoided formal defense commitments to Iran, there were instances of the country providing diplomatic support and dual-use supplies to Iran before and during the conflict. For instance, in March 2023, China encouraged the restoration of diplomatic relations between Saudi Arabia and Iran as a way of promoting peace and security in the Arabian Gulf. Their embassies reopened and the tone softened. Many saw the move as not peace, but more of a pause of hostility between the two countries. This peace was shattered when US and Israel attacked Iran in 2026. Hence, it could be argued that US involvement in the Iranian War would help to pivot the US away from its full containment measure in the East Asian region. Some of the military assets used by the United States in Iran were moved away from Japan and other East Asian region. So, the involvement of the US in Iran would assist China to concentrate its projection of power in Far East Asia, making China a major beneficiary in the Iranian conflict.

Moreover, in 2024 the Brazil, Russia, India, China, South Africa (BRICS+ such as Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates) formally admitted Iran as a crucial member with the thinking that Iran needed to be a member for the organisation to function maximally. Analysts believed this was like a legal scaffolding or support for a major energy bloc. BRICS+ is an expanded economic and geopolitical coalition building on the original BRICS and it aims to increase the voice of the Global South and reduce dependence on Western financial systems by promoting local currency trade and establishing new economic institutions. As of 2025, BRICS+ represented nearly half of the world's population; an alternative centre of economic and geopolitical influence intended to challenge the traditional dominance of Western powers and the US dollar; and a significant portion of global GDP and trade, including roughly 42% of the world's wheat production and 46% of its soybean.

Furthermore, on 7 April 2026, China and Russia vetoed the Bahraini Resolution to guarantee free movement of ships across the Strait of Hormuz. The resolution was vetoed by Russia and China because they viewed it as a potential "carte blanche" for wider conflict, meaning complete freedom to act as one wishes on the part of those seeking the passage of the resolution. The April 2026 Bahrain-led UN Security Council resolution was aimed to authorize international naval coalitions to use "all necessary means" to protect commercial shipping in the Strait of Hormuz, following disruptions caused by Iranian blockade of the strait. The proposal emerged following increased tensions between Iran and other Gulf states, which caused significant impact on global energy supplies and a sharp drop in shipping traffic across the world. The purpose of the resolution was to secure freedom of navigation in the Strait of Hormuz, the Arabian Gulf, and the Gulf of Oman, following threats and blockades. The proposal encouraged states to act independently or via voluntary multinational naval coalitions to protect commercial shipping. Earlier, in March 2026, the UN Security Council passed a separate resolution (13-0, with Russia and China abstaining) condemning attacks on shipping in the region.

Another area where China encouraged a multilateral approach to resolving the Iranian conflict was in supporting the Pakistan Peace Talk in April 2026. The Pakistani Prime Minister, Shehbaz Sharif, who mediated the first peace talk, announced a ceasefire agreement by informing the international community that:

> With the greatest humility, I am pleased to announce that

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> the Islamic Republic of Iran and the United States of America, along with their allies, have agreed to an immediate ceasefire everywhere, including Lebanon and elsewhere, effective immediately. I warmly welcome the sagacious gesture and extend deepest gratitude to the leadership of both countries and invite their delegations to Islamabad on Friday, 10th April 2026, to further negotiate for a conclusive agreement to settle all disputes. Both parties have displayed remarkable wisdom and understanding and have remained constructively engaged in furthering the cause of peace and stability. We earnestly hope that the 'Islamabad Talks' succeed in achieving sustainable peace and wish to share more good news in coming days![17]

It could be argued that the 11 April 2026 meeting and inconclusive talk in Pakistan gave Iran the upper hand because President Trump needed a deal more than Iran since the latter already controlled the Strait of Hormuz. Firstly, Iran needed assurances that the US and Israel would no longer attack it and the imposition of some special tax on the strait which would help pay for the infrastructural damages caused by the war. Secondly, Iran did not agree to give up its enriched uranium. Thirdly, Iran's proxies in the Middle East such as the Hezbollah in Lebanon and the Houthis in Yemen had not been completely defeated. Hence, it can be argued that Iran held the leverage in the negotiation table in Pakistan, a situation which angered the United States, leading to a state of a frozen conflict, where neither peace nor war prevailed. Under this situation, Iran maintained its control over the strait, the United States imposed a counter blockade of the strait and the global economy continued to bleed by absorbing the shock generated by the conflict. Similarly, the situation forced the world to adjust to a new reality of the uncertainty of US ability to guarantee freedom of international navigation, something they had done since 1945. Expectedly, President Trump announced he did not have faith in the ceasefire, so: "All US ships, aircraft, and military personnel…will remain in place in, and around, Iran, until such time as the real agreement reached is fully complied with… If for any reason it is not…the shooting starts, bigger, and better, and stronger than anyone has ever seen before. In the meantime, our great military is loading up and resting, looking forward, actually, to its next conquest".[18]

It can be stated that China's preference for multilateralism served its interests. The country preferred reconciliatory diplomacy to combative interferences. However, as observed by Owei Lakemfa, while China's hands might be in various cases,

> …it does not go around like the American cow boy shooting up the world. It does not apply the sledge hammer on every issue. In fact, it hardly uses direct force. It also does not dictate to other countries as its American counterpart is wont to do. China is hardly found in any war, but all countries, including the US and its allies, know better than threaten it.[19]

Strategic and Military Benefits to China

China had military and strategic stakes in the Iran-US/Israel conflict. For instance, there were allegations of oil-for-arm deals between China and Iran even before the war started. The allegations indicated that the Chinese supported the Iranians with highly effective defense system and equipment.

Furthermore, China is aware that Iran's strategic location in the map of the globe has placed it where it could easily disrupt global peace and security with or without the possession of nuclear weapons. For instance, Iran sits right close to fifteen (15) of the major sub-marine cables that connect the Middle East to the rest of the world. These cables enable several countries to send internet messages, conduct financial transactions and carry out scientific and humanistic studies. If Iran cuts these cables, the entire Middle East would be isolated from the rest of the world. Indeed, 60%-70% of Asia-Europe internet would be gone or made ineffective. China is aware of this situation and likes to keep Iran in its strategic orbit.

Moreover, Iran has another choke point at the Red Sea area close to Yemen,

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where Yemeni Houthis, backed by Iran could cause a major damage to the internet cables that connect Asia to Europe and Africa.The Houthis, who are officially known as Ansar Allah (or "Helpers of God","Supporters of God" or "Defenders of the {Islamic}Faith"), is a Zaydi revivalist and Shia Islamist political and military organisation that emerged from Yemen in the 1990s. The group is predominantly made up of Zaydis, whose namesake leadership is drawn largely from the al-Houthi family. The Houthis are backed by Iran, and they are widely considered part of the Iranian-led "Axis of Resistance".It should be noted that the Red Sea route carries 60%-70% internet connection between Asia and Europe.

During the period of ceasefire between Iran and US/Israel, US intelligence indicated that China was preparing to ship Man-Portable Air-Defense Systems (MANPADS or MPADS) to Iran to boost the country's war efforts. MANPADS are shoulder-fired, short-range surface-to-air missiles designed for individual soldiers or small teams to destroy low-flying aircraft, particularly helicopters, at ranges up to 8 km. The lightweight, infrared-guided "fire-and-forget" systems are highly effective and easy to conceal.The implication of the allegation is that while the US was trying to negotiate peace with Iran in Pakistan, China was quietly arming the Iranian side. Strategically, the situation is similar to a great-power competition problem and the Iranian conflict provided the opportunity to China on a platter of gold. Going by the visit of President Trump to China in May 2026, it can be argued that China used the opportunity to position itself as a responsible global actor and peacemaker of the world, while also using the opportunity to build a counter-American security architecture right under America's strategic orbit.

China and Rebuilding Efforts in Post-War Iran

No doubt, China will play a dominant role in Iran's post-war reconstruction efforts because of the country's economic leverage and technological know-how vis-à-vis its relationship with Iran. Also, China would leverage on its Belt and Road Initiative to finance damaged infrastructure in exchange for stable energy supplies and the security of China's regional geopolitical interests in Iran. Moreover, Chinese firms are expected to spearhead massive reconstruction efforts, focusing on key Iranian sectors such as road and bridge reconstruction, housing reconstruction, upgrading and repairing battered oil and gas pipelines, refineries, and major shipping ports, rebuilding of dilapidated railways, roads, and power grids to transform Iran into a central hub connecting East Asia to the Mediterranean for the smooth flow of Chinese goods and services, acting as Iran's major supplier for the reconstitution of its industrial and defence capabilities, because Iran's ballistic missile and drone programmes already lean heavily on Chinese industrial components and satellite tech, and so forth. Indeed, Chinese backing would significantly shorten Iran's path to military recovery.[20]

Conclusion

It can be observed that China's business in the Iran-US/Israel conflict was multi-layered covering strategic, military, humanitarian, financial, economic, and diplomatic considerations. For instance, it can be observed that China provided covert and overt military, strategic and technological support to Iran while Iran supplied China with the necessary mineral resources, especially crude oil. It was this symbiotic relationship that dictated China's rule in the Iran-US/Israel conflict of March/April 2026. In this connection, while China did not appear to have lost much as a result of the Iran-US/Israel conflict because Iran allowed China-bound ships to use the Strait of Hormuz while it was closed to ships belonging to many other countries. On the other hand, the US and its allies in the conflict as well as the entire global community, including Iran itself, suffered severely from the aftereffects of the conflict in terms of escalating increases in the prices of essential commodities. On the whole, a major consequence of the Iran-US/Israel conflict is that there could be a new global arrangement that would enable China play an important role in building a new regional order, as the Gulf states would be forced to rethink their security strategies in the face of their vulnerability to Iranian revenge attacks, a situation that could increase their hunger for Chinese technological, strategic, military, financial, economic and diplomatic asserts.

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