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NEWSLETTER

China wants a seat at the Gulf table

Reuters Gulf Currents
By **Andrew Mills**
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Chinese Foreign Minister Wang Yi speaks during the press conference after the 11th Lancang-Mekong Cooperation Foreign Ministers Meeting in Beijing, China, November 4, 2026. REUTERS/Maxim... Purchase Licensing Rights Read more

Nov 4 - Tehran is savouring the result of Tuesday's US midterm elections. Iranian officials hailed the Democrats' capture of Congress as a verdict on Trump's war. Parliament Speaker Mohammad

Baqer Qalibaf said Americans had told Washington "NO TO WAR," and Iranian newspapers ran front pages mocking the US president.

In the Arab Gulf states, the mood is less festive. Conversations here are less about the upset in Congress and more about what Trump does next. With the vote over, will he strike Iran again, and will the Gulf end up on Tehran's target list once more?

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Behind the gloating, Iran is on high alert. Iranian sources say they fear Trump could try to offset his electoral rebuke with military action. Four European officials said the US had enough forces in place to hit Iran at short notice, possibly this week. Iran's military says it is updating its target lists, and Qalibaf says any response would be unconstrained by geography. In the last round, Iranian missiles hit US bases and Gulf energy facilities. Dread of a repeat dominated this weekend's Manama Dialogue.

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Our news briefing this week covers Trump's surprise pledge to end about $4 billion in annual US aid to Israel, Aramco's profit jump despite attacks on its infrastructure, and the dire situation for pregnant women in besieged Taiz, Yemen. Our analysis asks whether China can turn its economic weight into a role in ending the war.

NEWS BRIEFING

- President Trump said the US would stop about $4 billion in annual aid to Israel after this year but would keep selling it weapons. He announced the move as Americans voted in the midterms. He gave no details, though a military aid agreement runs to 2028. The shift comes as US support for Israel erodes.
- The world's largest oil exporter, Aramco, said its third-quarter profit rose by a third, even as the US-Iran war and Houthi attacks have hit its East-West pipeline, other energy infrastructure and headquarters. Higher oil prices offset the drop in output caused by the conflict, while the company says the attacks are deepening the global energy supply crisis.
- Fighting and access restrictions around Yemen's Taiz have left more than 13,000 pregnant women without essential healthcare and are driving up miscarriages, the UN Population Fund says. Only 5 of 27 emergency maternity facilities still partly function, and the main maternity hospital could close within days unless access is restored. Yemen has the Arab region's highest maternal mortality rate.

ANALYSIS: CHINA WANTS A BIGGER ROLE IN THE GULF. CAN IT DELIVER AN END TO THE US-IRAN WAR?

Beijing stepped up its push for a bigger Middle East role this week. President Xi Jinping told Oman's visiting Sultan the Gulf should not become a battleground for great-power rivalry, and Oman backed China's peace proposals, looking forward to a "greater role" for Beijing. On Monday, Foreign Minister Wang Yi met separately with Iranian security official Ali Bagheri Kani and Saudi national security adviser Musaed al-Aiban.

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China will send a special envoy to Iran, Oman and Saudi Arabia this month.

On paper, China has the strongest hand with Tehran of any outside power. It has been Iran's largest trading partner for over a decade and bought more than 80% of its seaborne oil exports in 2025, according to Kpler.

Iran's disruption of the Strait of Hormuz has squeezed Chinese energy supplies for months, and now Iran-aligned Houthis have seized ground on Yemen's Red Sea coast that puts them in a position to control the Bab el-Mandeb Strait, a chokepoint for some Saudi oil bound for China.

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But China's leverage over the situation in the Gulf, and its willingness to use it, has limits. Beijing has no defence commitments in the region. China must also balance its interests in Iran against far larger trade with the Gulf Arab states — worth about $300 billion a year — and, above all, the United States. And its sway over Tehran comes from being a customer, not an ability to coerce.

China's last big diplomatic win in the Gulf shows how different this moment is. In 2023, Beijing hosted Saudi and Iranian officials and announced a deal restoring ties. Both sides wanted an agreement, and China's job was to host and lend prestige. Today's war involves the United States and Israel, and Iran has struck Gulf Arab states and energy shipments. Ending the conflict would mean pressing Tehran, guaranteeing a settlement or hashing out a solution with Washington. Publicly, at least, Beijing has so far avoided all three.

For now, Beijing looks more like an engaged observer than a decisive broker. Washington matters more, and so might Doha: mediator Qatar, not China, is leading the latest push to avoid war in the Gulf. President Donald Trump has not ruled out further military action, while Iran says it would reopen Hormuz within two days of a deal if Washington meets several conditions, including lifting its blockade of Iranian ports. Can Beijing turn its economic weight into a seat at the table, or could Washington and Tehran strike a deal without it?

CHART OF THE WEEK

Gulf oil exports slipped in October after hitting their highest level of the Iran war in September, according to two ship-tracking firms. Both cautioned that the October figures could be revised upward as more shipment details come in.

Part of the uncertainty comes from the Strait of Hormuz, where attacks on shipping hit a record in October. Tankers are increasingly working to avoid detection, which makes Gulf oil flows harder to track and makes further revisions to the preliminary numbers more likely.

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