

ORION FORUM

China and the War In Iran, High Risk for Marginal Opportunities

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China has worked to build a diplomatic position in the Middle East, cultivating an image as a non-interventionist power that can be everyone's friend and no one's enemy. However, when the drums of war began to sound over the Strait of Hormuz, China found itself exposed to a conflict it did not want and cannot easily shape.

Nevertheless, Beijing may still be able to gain something from the war between the US, Israel and Iran, if it plays its cards wisely and America wastes its hand in the region.

China's role in the global balance of power

To understand how China sees Iran specifically, and what it could take out of the general situation, first, we need to understand what China's growth impacts on the global balance of power and its impact over third countries.

The current geopolitical landscape is often dominated by a narrative recycled from the era of the Cold War. Nevertheless, China does not see its relations with friendly states in the same way the US or the Soviet Union saw their respective geopolitical blocks. Beijing does not act as a protector that ensures the survival of partner regimes, but as an enabler: providing other countries with economic, technological, and sometimes limited security options that reduce Western leverage, but without taking on the costs and obligations of full geopolitical leadership.

Thus, China's role is less about defending allies and more about helping uneven the balance of power until now on the side of the West, create a decentered global articulation in which more countries have room to maneuver without relying on Western technology and economy.

That is why Beijing can be very useful for a country like Iran in lower risk times, through trade, oil purchases, investment, diplomatic support, access to multilateral forums, and more importantly, access to dual-use technology. However, a close relationship with China is much less decisive when a partner needs immediate protection. China wants the benefits of shifting global power balances without fully paying the price of underwriting them.

In the recent fall of Beijing friendly governments in Syria or Venezuela for example, China had reasons to prefer the survival of those regimes and had given them support beforehand. But when those governments faced a real and immediate military or regime change threat, Beijing wasn't going to take the kind of direct commitment that would make it a true security guarantor.

China's engagement with other countries has more self-protective goals than many narratives suggest. Beijing is growing its influence, but it does not want to take the responsibilities of building an alliance system in the old Cold War sense. Its priority is to expand room for itself and its partners while avoiding commitments that could damage its own economic interests or long-term strategy. That gives Beijing flexibility and reap the fruits of America's failures without having to invest in costly interventions. But this approach has a clear limit, because when a country is under real security threat, may still conclude that the US, for all its flaws, remains the best partner when survival is on the line.

China and Iran

China's main three goals in the Middle East have been securing energy provision, secure maritime shipping lanes to reach its markets in Europe, and pursuing a balanced relations with both Iran and the Gulf monarchies, with the hope that a more stable region would make it freer from US influence.

Beijing' goals on its relationship with Iran is thus part of a broader strategy in the Middle East to secure and diversify China's oil supply. Beijing gave Tehran an economic lifeline against Western pressure through oil purchases bypassing Western sanctions and providing alternative financial mechanisms, and access to technology and key components for the Iranian economy and military build up. In that sense, China gave more margin of maneuvering for Iran to pursue its geopolitical opposition to the US and its allies in the region.

The escalation of Operation Epic Fury has impacted China's main goals in the Middle East. In 2023, China secured a major symbolic victory by brokering the Saudi-Iran rapprochement. Beijing aimed to present itself as a credible regional peacemaker in contrast to decades of US military intervention in the region. This diplomatic achievement has faded away in the wake of the current escalation.

An open conflict between Iran and the Gulf states under a US leadership is precisely the opposite scenario of what China wanted in the region, where a decrease of security concerns could allow for the Gulf monarchies to diversify away from American protection, and deepen commercial ties with Beijing.

Furthermore, Iran's reaction to the attacks by Israel and the US on its energy infrastructure, targeting vital oil and gas plants in the Gulf States, and its closure of the Strait of Hormuz—through which around 50% of China's crude oil imports depends—enters into contradictions with China's goals in the region and its current concerns about economic growth.

When the attacks began, Beijing issued its typical diplomatic statements condemning the US attacks on Iran; but was also quick to show its disapproval of Iranian attacks against the Gulf Monarchies and of its actions too close to the Strait of Hormuz.

Even though Iran stated that Chinese and other “non-hostile” vessels could still transit the Strait of Hormuz, Chinese-flagged ships were also forced to turn back and risked being targeted by Iranian attacks. As the weeks have passed, Beijing's critical tone with Iran has increased, while also trying to discretely keep supporting the country's efforts, while trying to keep a complex balancing act with other partners in the region.

The military dimension

In a broader sense, Iran's use of cheap drones against US forces offers China a live case study in a drone military doctrine based on saturating technologically superior opponents with low-cost drones, forcing the enemy to expend far more costly weapons to neutralize them and making the war financially unsustainable. That said, it is important to maintain some distance in the comparison: China and the US, even if engaged in asymmetric warfare, would be two state entities operating at a more symmetric level, and China has access to industrial capacity superior to Iran's by various orders of magnitude.

Another important element in the military dimension comes from the [rumors](#) of Chinese-made Iranian radars failing to detect American and Israeli stealth fighters, echoing a similar situation in Venezuela. If that's the case, that makes poor publicity for Chinese military technology, which may worry potential Chinese partners and China's military authorities alike.

The US is unlikely to become entangled in Iran in the same fashion it did in Iraq or Afghanistan, and for China that wouldn't necessarily be good news. Where China could take advantage is if Washington takes a messy off-ramp that neither ends the Iranian regime nor its capacity to control the Strait of Hormuz. That would signal American weakness and, depending on how the US exits, could be seen by the Gulf States—which, despite the pressure they are absorbing, seem committed to ending the Iranian regime—as a betrayal.

That would leave the region in a worse situation. As for how much influence China can actually use over Iran, what has been shown in public appears to be less than one would have expected. On the other hand, with a constant latent conflict between Iran and its neighbors, if China cannot offer security guarantees to the Gulf Monarchies, that limits its capacity to extract meaningful diplomatic gains from a hypothetical American setback.

The impact of the disruptions in the Strait of Hormuz for Chinese economy

If we look at the matter from a geoeconomic perspective, on paper, China is both a country that can feel the pain of the Iranian crisis and one that has been preparing for a situation like this for years, stockpiling commodities in case of foreign imposed sanctions or blockades.

Half of China's oil supply comes from the Middle East, and the current disruption has greatly impacted Beijing. In early March, Beijing [asked](#) refiners to halt new fuel exports and cancel some already committed shipments. This denotes concerns of potential domestic supply distress, even if China has been able to navigate the energy crisis relatively well until now. Furthermore, China's understandable instinct of economic self-preservation may strain relations with China's neighboring nations that may turn to Beijing to ask for some relief.

However, Beijing has been able to access part of the Iranian oil already afloat or stored near Asia since the beginning of the war, which has given China more room to maneuver than many other importers from the region. At the moment of writing these lines, around 170 million barrels of Iranian oil were already at sea under a temporary US [waiver](#), while Chinese refiners

were estimated earlier to have access to around 30 million barrels of floating Iranian crude near Malaysia and China. Additionally, China can [lean](#) on coal to cope with part of the shock, apart from nuclear and renewable sources.

For China, the disruption of shipping routes is not only problematic because of oil supply, but also because it remains the world's top manufactured exporter and its economy is heavily dependent on foreign trade. Despite China's efforts to cut its reliance on foreign trade, it [represented](#) about 37.2% of China's GDP in 2024, and a global shock that raises freight costs, disrupts maritime routes, and hits consumer markets already dealing with inflation and higher energy prices could weigh on Chinese exports at a moment when the country's growth outlook has already [moderated](#).

The moment for China's green sector?

There is a scenario being discussed by [investors](#) and analysts, in which China can outlast the crises thanks to its dominance over renewable energy supply chains, especially solar. This scenario considers that as more countries respond to the crisis in the Strait of Hormuz, trying to limit their exposure to Middle East oil, they will accelerate their demand for renewable self-capacity.

That indeed could benefit China, given its dominant position in solar supply chains. China [accounts](#) for more than 80% of manufacturing capacity across the main stages of solar-panel production. That said, parts of clean-energy supply chains remain exposed to Hormuz disruption. Solar panels depend not only on silicon but also on petrochemical materials and aluminum for their frames. A Gulf shock therefore hits the very technologies meant to replace oil and gas.

The direct impact on China would come less from physical shortage than from cost transmission. The Middle East [accounted](#) for more than 40% of global polyethylene exports in 2025, and that the war has already sent plastic prices sharply higher while pushing Asian [naphtha](#) from about \$108 to more than \$400 per ton. For China, this means higher costs in a sector already running on thin margins.

While the shock in the Strait of Hormuz may increase solar panel demand from China, the war can also make Chinese solar more expensive to produce and ship. China is better placed than

most countries to absorb that shock because it has scale, coal, domestic industrial muscle, and alternative sourcing channels. Indeed, it seems that Chinese [manufacturing](#) has been increasing amid the war. But China is not insulated from it. A prolonged disruption of Hormuz would not break China's position, but it could slow part of the advantage that Beijing would otherwise gain from a global turn away from Middle Eastern hydrocarbons.

What will China do? Wait and see

It is still too early to determine who, if anyone, will emerge as the true winner from this conflict. But politics is the art of possibility, and China's position carries an advantage: Beijing has promised to protect no one. Not Iran, not the Gulf States, not global shipping lanes. That burden falls on Washington.

Beijing is unlikely to make any risky move and has little incentive to do so. Its potential gains are largely indirect and depend on the failures of the US campaign. If Iran's regime proves more resilient than expected, and if American promises with the Gulf Monarchies go unfulfilled, that could erode US image and self-confidence in foreign interventions elsewhere. And here China is looking to Taiwan.

Nevertheless, a scenario in which the US manages to only partially cripple the Ayatollah's regime, while regional instability and the threat of disruption of energy supply lanes persists, may not serve Chinese interests either. The Gulf States, now acutely aware of their security needs, will be more interested in a security provider than in a mere oil buyer. So, China may prefer to take a conservative approach, and favor a quick end to the war, whatever the outcome.

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