

Iraqi Officials Eye a Path for Chinese-Iraqi Development

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Baraa Sabri is an analyst and researcher from Syria. Currently, he studies international Law at the Department of Graduate Studies in Germany. His research focuses on international relations, governance, public affairs, conflicts, and human rights in the Middle East and North Africa.

 Brief Analysis

In Iraq, the precarious reality and confused relationships seem to have driven al-Sudani’s government to attempt to circumvent the traditional binary choice between Washington and Moscow. This new course comes with a distinct and flashy name, the “Development Road” project, and looks to Beijing as a third way forward.

Mohammed Shia al-Sudani did not become prime minister in Baghdad as smoothly as desired by the powers close to the “axis of resistance.” Nevertheless, several factors facilitated his rise to power. Domestic concerns, such as [Muqtada al-Sadr's decision to withdraw his bloc from the political process](#) ([This precarious reality and confused relationships likewise seem to have driven al-Sudani’s government to attempt to circumvent the traditional binary choice between Washington, the West, and most of the Gulf states on the one hand, and Tehran, Damascus, Lebanon, and their backer Moscow on the other. This new course comes with a distinct and flashy name, the “Development Road” project \(\[Iraq’s political realignment is in large part a response to Iraqis’ shifting views of the United States and the broader geopolitical space: the haphazard American withdrawal from Afghanistan, the political changes in U.S. policy under Biden, the failure to revive the nuclear agreement with Iran, the stagnation in the Syrian issue, Erdogan’s steadfast support of Putin, Russia’s continued attacks on Ukraine, economic movement linked to oil prices, inflation, and financial turmoil in currency rates from Cairo to Tehran, fears of harsh economic sanctions, and, finally and most importantly, the economic rise of China.\]\(https://www.swissinfo.ch/ara/afp/%2525D8%2525A7%2525D9%252584%2525D8%2525B9%2525D8%2525B1%2525D8%2525A7%2525D9%252582-%2525D9%25258A%2525D8%2525B9%2525D9%252584%2525D9%252586-%2525D9%252585%2525D8%2525B4%2525D8%2525B1%2525D9%252588%2525D8%2525B9--%2525D8%2525B7%2525D8%2525B1%2525D9%25258A%2525D9%252582-%2525D8%2525A7%2525D9%252584%2525D8%2525AA%2525D9%252586%2525D9%252585%2525D9%25258A%2525D8%2525A9--%2525D9%252584%2525D9%252584%2525D8%2525B1%2525D8%2525A8%2525D8%2525B7-%2525D8%2525A7%2525D9%252584%2525D8%2525A8%2525D8%2525B1%2525D9%25258A-%2525D8%2525A8%2525D9%25258A%2525D9%252586-%2525D8%2525AF%2525D9%252588%2525D9%252584-%2525D8%2525A7%2525D9%252584%2525D8%2525AF%2525D9%252584%2525D9%25258A%2525D8%2525AC-%2525D9%252588%2525D8%2525AA%2525D8%2525B1%2525D9%252583%2525D9%25258A%2525D8%2525A7/48546538\) , and looks to Beijing as a third way forward.</p></div><div data-bbox=\)](https://www.aljazeera.net/politics/2022/6/15/%2525D8%2525A7%2525D9%252584%2525D8%2525B5%2525D8%2525AF%2525D8%2525B1-%2525D9%25258A%2525D8%2525B9%2525D9%252584%2525D9%252586-%2525D8%2525A7%2525D9%252586%2525D8%2525B3%2525D8%2525AD%2525D8%2525A7%2525D8%2525A8%2525D9%252587-%2525D9%252585%2525D9%252586-%2525D8%2525A7%2525D9%252584%2525D8%2525B9%2525D9%252585%2525D9%252584%2525D9%25258A%2525D8%2525A9) and a push from groups close to Iran to put forward a prime minister with relative acceptance in the regional and international community, played a role. But these considerations compounded with the climate of regional tensions and interests of outside powers—competition between the Gulf and Iran, concerns over the ongoing repercussions of the strained relationship with Washington caused by the Trump administration, and the growing dominance of various armed groups close to Tehran.</p></div><div data-bbox=)

Factors accelerating Iraq’s pursuit of China

Since the fall of the Saddam regime and subsequent American occupation in 2003, many Iraqis have felt trapped in the vortex of the U.S. and Gulf rivalry with Tehran and its allies, unable to escape. This bilateral state of competition has exhausted its forces domestically and made Iraq a battleground for competing powers to settle scores, with Iraqis paying a high price.

Hence, the important recent developments in international policies toward the Middle East have pushed Iraqi officials not beholden to Iran toward a new view, which may be of significant concern to Washington. In the eyes of many Iraqi officials, China’s growing role in the region is unencumbered by many of the issues associated with other actors. China has avoided engaging in direct competition with the United States, but regional developments are signs that Washington’s international retrenchment and Moscow’s inability to lead the world’s anti-U.S. faction are paving the way for Beijing’s political entry into the region.

China was and continues to be a prominent economic player [in](#) ([\(\[\\(\\[Iraqi officials are likewise attracted by the image of Chinese policy put forward by Chinese diplomats. In Baghdad, there is a perceived Chinese indifference to the style of governance in Third World countries, a non-interventionist policy, and a disinterest in dealing with sensitive issues like the Palestinian-Israeli conflict. Iraqi observers contrast China’s rapid economic rise and flashy promises with the decline of U.S. interest in the region.\\]\\(https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/2017/TradeFlow/EXPIMP/Partner/MEA/Product/All-Groups\\) , the flow of goods, attractive energy markets, the movement of intermediary companies and financial interfaces, promising building projects, market underwriting, and banking services. Now, this role has begun to take on a political element as well, with Beijing playing a role in regional issues long seen as firmly under U.S. influence.</p></div><div data-bbox=\\)\]\(https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/2017/TradeFlow/EXPIMP/Partner/MEA/Product/All-Groups\) , as shown \(<a href=\)](https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/2017/TradeFlow/EXPIMP/Partner/MEA/Product/All-Groups) the (<a href=)

Administration change in Washington has made these officials particularly cautious. Iraq felt it could not acquiesce to agreements and treaties with Washington that might terminate with a new U.S. administration. Likewise, the Iraqi government—which had long-standing and close relations with Moscow prior to the fall of Saddam Hussein—is aware that Russia cannot fill any

potential U.S. vacuum.

Thus, the **recent agreement between regional arch-enemies Saudi Arabia and Iran, brokered by Beijing** (<https://www.usip.org/publications/2023/03/what-you-need-know-about-chinas-saudi-iran-deal>), was for Iraqi officials a declaration of China’s political emergence in the Middle East. Iraq, which had a role in those negotiations, watched with amazement as Washington monitored the unfolding process without lifting a finger, and likewise watched how the Gulf and regional powers affiliated with Washington raced to apply to join BRICS, a group that many in the developing world consider a possible alternative to the current Western global leadership, economic and otherwise. Baghdad saw signs of the first public rebellion by Washington’s Gulf allies Saudi Arabia and the UAE against U.S. demands on oil prices, along with the Gulf’s openness to Damascus and impartiality toward the Ukrainian conflict. The long-term agreement between China and Iran was viewed as the latest example of Beijing’s reach and its arrival at the borders of Iraq.

The perceived lack of U.S. reaction to these developments became one of the push factors for al-Sudani and his team to propose the Development Road project, which some consider an extension of China’s Belt and Road Initiative. This step was tantamount to an Iraqi declaration to China that the country was politically open. Chinese companies already have billions of dollars’ worth of investments in Iraq, and the trade volume between the two countries was **more than USD 53 billion in 2022** (<https://www.iraqinews.com/iraq/trade-exchange-between-iraq-and-china-surpasses-48-billion-in-2022/>), according to a statement from the Chinese embassy in Baghdad. Nevertheless, China’s future potential political role in Iraq has been greatly strengthened by the announcement of the project.

Development Road Dreams and Hard Realities

Thus, many Iraqi officials have placed their hopes in the Development Road project as a prelude to a new relationship with Beijing. The project contains elements similar to Chinese projects in a number of Central Asian countries. It consists of a hypothetical chain of trade infrastructure, a network of ports and highways extending from the Gulf to Turkey from the direction of Zakho. The project also includes lengthy rail lines for transporting goods and people, a component reminiscent of Chinese projects elsewhere.

According to Iraqi sources, the plan includes “building 15 train stations for goods and passengers along the line, which will be 1,174 kilometers long and pass through 12 Iraqi governorates.” Yet the **Chinese ambassador to Iraq, Cui Wei** (<https://www.rudawarabia.net/arabic/middleeast/iraq/010620237>), said last June that “**the strategic Iraqi Development Road project is “complimentary” to the Chinese Belt and Road Initiative** (<https://www.rudawarabia.net/arabic/middleeast/iraq/010620237>)”. Though this is somewhat general language, it is a likely indicator China’s true view of the project—that its actual implementation is not currently possible, and that **as Iraq’s future capability to successfully implement the project does not inspire optimism** (<https://www.independentarabia.com/node/474236/%2525D8%2525B3%2525D9%25258A%2525D8%2525A7%2525D8%2525B3%2525D8%2525A9/%2525D8%2525AA%2525D9%2525D8%2525A7%2525D9%252584%2525D8%2525A5%2525D8%2525B4%2525D9%252583%2525D8%2525A7%2525D9%252584%2525D8%2525A7%2525D9%252584%2525D8%2525AA%2525D9%25258A-%2525D9%252588%2525D8%2525A7%2525D8%2525AC%2525D9%252587%2525D9%252587%2525D8%2525A7-%2525D9%252585%2525D8%2525B4%2525D8%2525B1%2525D9%252588%2525D8%2525B9-%2525D8%2525B7%2525D8%2525B1%2525D9%25258A%2525D9%252582-%2525D8%2525A7%2525D9%252584%2525D8%2525AA%2525D9%252586%2525D9%25258A%2525D8%2525A9-%2525D9%252581%2525D9%25258A-%2525D8%2525A7%2525D9%252584%2525D8%2525B9%2525D8%2525B1%2525D8%2525A7%2525D9%252582%2525D8%25259F>).

Indeed, Iraqi officials will need to face the reality that the country lacks the capacity to undertake and complete such a vast project, whose stated cost will reach USD 17 billion. Iraq’s infrastructure is crumbling, basic services are weak, and the security situation remains vulnerable, all factors casting a shadow over the country. Furthermore, the domestic budget remains rent-seeking, unstable, and linked to the price of oil, an unsustainable economic situation for a country hoping to invest in grand works projects. There are also obvious signs of decline in the value of the Iraqi dinar against the dollar and a rapid decline in per capita income. Also, Kurdistan region has been suspicious about the project paths which avoid passing through the region under the pretext of the difficulty of the mountainous geography there. For them, this is a deliberate attempt to limit the region’s economic role.

And even if the project was feasible on the implementation front and an avenue for real economic growth for Iraq—a claim that is in itself subject to doubt—it may prompt countries that benefit from the status quo in Iraq to work to scuttle the project. Ironically, Iran may be among the opposing countries, especially if it senses any threat to its political and economic influence.

Regardless of the plan’s feasibility, the proposed Development Road project should be viewed as an indicator of Iraqi officials turn to China’s embrace. But these officials should be more cautious; they cannot be confident that Chinese involvement will achieve the optimistic targets Iraqi officials have placed on it. Protests in Central Asian countries against older BRI projects emphasize the potential pitfalls of a Chinese development project—one that Iraqi officials are currently ignoring.

The enthusiasm in Baghdad for increased Chinese involvement should also give the U.S. administration pause. If Washington hopes to stymie this move, the United States must make greater efforts to rebuild trust with its historical allies in the region and address the perception of U.S. abandonment. If this perception continues, governments in Iraq, like Saudi Arabia and the UAE, will increasingly **facilitate China’s access to the centers of political decision-making** (<https://blogs.lse.ac.uk/cff/2022/12/05/ask-the-experts-is-chinas-growing-influence-in-the-middle-east-pushing-out-the-united-states/>) in that crucial geographical region. ♦

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