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Toeing the Line, Drawing the Line: China and Iran's Nuclear Ambitions

Bernt Berger and Phillip Schell

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Over the past decade, China's relationship with Iran has been half-hearted. What has publicly been regarded as a close bilateral entente is in fact based on Tehran's lack of better options and China's clear ambition that a non-nuclear Iran should not be economically destabilised. The withdrawal of Chinese companies from technology transfers to Iran and the improvement of China's export controls have led to frustration on the Iranian side and set bounds to bilateral relations for the long term. Today, China tries to convey its disagreement with Iran's nuclear weapons program. At the same time, China has tried to separate the nuclear issue from civilian perspectives and opposed sanctions that might lastingly cripple Iran's economy. The reasons can be found in China's strategic regional considerations and interests in stability both inside and outside Iran. Thus, China has become a diplomatic broker whose credentials only suffer by the shortcomings of its own export control regime.

Keywords: China-Iran relations, Nonproliferation, Iran IAEA Safeguards, Missile proliferation, Iran nuclear program

In recent years, China's fundamental adherence to non-interference has been the best that Tehran could hope for. Beyond this diplomatic backbone, Beijing offers Iran little substantive support that it can rely on. Rather, the country is subject to a range of strategic and tactical perspectives that Beijing's policymakers regard as crucial for stability in the region. China relies heavily on energy supplies from Iran's long-time rival Saudi Arabia. Yet, Beijing has never sought direct involvement in the region's security affairs. Thus, China has pursued a policy towards Iran and its nuclear ambitions that satisfied international demands and interests, while refraining from any kind of destabilising containment strategies.

Overall, China has during the past decade, demonstrated commitment to international export control regimes. Although export controls have not been sufficiently implemented, Beijing has made great progress in setting up legal and practical measures. Within the scope of its own foreign policy principles Beijing has supported US and European initiatives that were designed to bring Iran's suspected nuclear weapons program to a hold. In view of its own foreign policy principles as well as regional strategic considerations,

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Beijing's policymakers have limited their proactiveness and support of sanctions and thus, interference in Iran's intricate political landscape.

ASPECTS OF CHINA'S APPROACH TOWARDS IRAN

China has not demonstrated any willingness to get drawn into delicate regional affairs in Iran and its neighbourhood. For this reason, Beijing's foreign policymakers have repeatedly frustrated Iranian hopes for an ally among the big powers. Instead, they have emphasised that relations with the US have been too important to trade them for any closer ties with Iran. Yet, a range of perspectives has determined Beijing's approach vis-à-vis Tehran, and its international behaviour reflects its own interests which are not always in line with the goals and strategies of the US and the EU.

Four aspects have essentially influenced Chinese policymakers' bilateral and multi-lateral approaches: China's relationship with the US, its own foreign policy principles and understanding of international affairs, regional balances in the Middle East and its own economic interests.

ECONOMIC INTERESTS

China has built up substantial trade relations with Iran and become its biggest import and export partner. According to Iranian sources, the trade volume has risen to up to US\$50 billion (*Bloomberg* 2011) after American and EU sanctions were imposed. China has clearly surpassed Germany, whose trade volume with Iran had up to 2010 almost reached €4 billion and has, due to sanctions, dropped by 18 per cent in 2011 (*Auswärtiges Amt* 2012). Beijing does not regard a unilateral widening of sanctions on civilian trade as reasonable and has not stopped bilateral trade from rising.

While Chinese exports to Iran involve a wide assortment of goods such as machines, vehicles and electronic products, Iranian exports mainly include minerals, oil and mineral fuels (*South China Morning Post* 2011). Yet, Iran is only the third-biggest external supplier of crude oil to Chinese oil companies after Saudi Arabia and Angola. Chinese companies buy up to 20 per cent of Iran's crude oil, while Iran covered 8.6 per cent of Chinese imports in 2010. Chinese officials have repeatedly emphasised that China would not unilaterally impose trade sanctions. However, China's demand for Iranian oil dropped in 2012. Officially, the reason was rising costs, but diplomatic costs might have been decisive as well (*Reuters* 2012).

RELATIONS WITH THE US GOVERNMENT

In view of WMD related arms transfers to Iran, China has been at odds with the US for almost 20 years. In particular, the so-called Yin He incident in 1993, named after

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a vessel owned by Chinese ocean carrier COSCO that had, according to US intelligence reports, carried agents for the production of chemical weapons for Iran, set the issue of proliferation of WMD related dual-use good high on the bilateral agenda. For the following decade, China repeatedly attracted attention because either state-owned enterprises such as the Great Wall Industry Corporation (CGWIC) transferred components related to Iran's missile programs or third parties such as North Korea were granted over flight permissions in order to deliver such illicit technologies. The US government has therefore repeatedly sanctioned Chinese companies.

Beijing's official rhetoric has, however, also consistently set a priority on stable US–China relations and especially on trade relations with Washington. Although this acknowledgement has not kept Chinese companies from improving trade relations with their Iranian counterparts, it has sent clear signals towards Tehran about the limits of Beijing's support. Chinese Assistant Foreign Minister Ma Zhaoxu has engaged in shuttle diplomacy, encouraging Iran to resume dialogue with the P5+1 group, consisting of the five permanent member of the United Nations Security Council, China, France, Russia, United Kingdom, and United States plus Germany.

China has limited its approach towards the Middle East, and especially towards Iran, and has tried to avoid conflicts with the geo-strategic interests of regional powers such as Russia and the US. More recently, Beijing has tried to frame its approach as part of its engagement as a stakeholder in global peace and development (*People's Daily* 2012). Yet, geopolitics has mattered to China beyond interests in securing access to energy supplies.

Some commentators have claimed that the Chinese government has used its relations with Iran and UN vetoing power as a bargaining chip in order to avert pressure from the US on unrelated matters such as Tibet (Kan 2012: 19). Yet, by all appearances, China has generally not deviated from international efforts on Iran while strictly setting its own limits on the extent of sanctions. The main reasons for this approach are rooted in a general scepticism about the US' approach towards Iran, strategic considerations about the region, as well as the fragile internal situation in Iran.

GEOPOLITICS AND REGIONAL BALANCES

As compared to Saudi Arabia, Iran has only been a minor supplier of fossil fuel to China. Thus, the strategic significance of Iran for China's energy security has been limited. Nevertheless, in 2010, US Secretary of State Clinton brokered a deal with Saudi Arabia to secure delivery guarantees for China. The goal was to eliminate any Chinese dependencies on Iranian oil that could have an impact on Beijing's voting behaviour on UN resolutions. Some commentators have suggested that a joint venture deal during a state visit by Prime Minister Wen Jiabao between Sinopec and Saudi Arabia's Aramco that involves a 37.5 per cent stake in an oil refinery, was agreed upon in this context (Lasseter and Hall 2012).

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Yet, Beijing has neither wanted trade sanctions on Iran that would cripple the country's economy, nor does it wish to deviate from its principled adherence to dialogue (for a timeline of Chinese statements on this matter see *Xinhuanet* 2012). This limited approach has been grounded in Beijing's dilemma of combining its own policy principles with strategic and diplomatic rationales of not opposing regional states' interests and sensitivities. Iran was regarded as a politically complex and industrially diverse country whose internal destabilisation would bring along long-lasting problems. Some Chinese scholars have even argued that the current advanced state of development could form a basis for lasting political developments inside the country (Interviews 2010).

Although China has maintained close working relations with Iran, the relationship has seen considerable reservations about the clerical leadership and the current leadership under Mahmoud Ahmadinejad. On the bilateral level, active ministerial cooperation was often rejected. Yet, in the case of Iran, Beijing's non-interference maxim has been a reaction to a factual concern rather than an ideological stipulation. Lacking trust in Western intentions and affective nationalism inside Iran can bring any dialogue process to a hold. Thus, Beijing prioritises the P5+1 dialogue framework. On a similar note, punitive sanctions against the regime would, according to Chinese scholars, send the signal that the goal was regime change and not the halting of the nuclear programme (Interviews 2010).

Regionally, a weakening of Iran would also lead to lasting destabilisation. The US and European strategies towards the region would create imbalances between the two key regional opponents—Iran and Saudi Arabia—leading to undesirable outcomes from the Chinese point of view. Thus, Beijing's policymakers were not willing to engage in the weakening of either side; an energy deal with only Saudi Arabia in support of US regional strategies could not have been in Beijing's interest.

IMPLEMENTATION OF SANCTIONS AND UN VOTING

China is playing an increasingly active role in the international arena. In the case of Iran, Beijing's support has shifted away from assistance towards its nuclear and missile programmes. Today, the question is of how far China's diplomacy is politically beneficial to Tehran, particularly in the light of growing pressure from the US and EU. Beijing has faced the challenge of negative perceptions, when emphasising Iran's rights and obligations under the Non-proliferation Treaty (NPT) while trying to establish itself as a responsible international stakeholder and safeguarding its relationship with the US.

China's diplomacy pertaining to Iran has consistently rested upon the principles of non-intervention/interference, nuclear non-proliferation and safeguarding its economic ties in the region. However, other more strategic concerns should not be discounted. In particular, NATO's operation in Libya, which China regarded as an inappropriate use of force and a breach of the UN Security Council Resolution 1973 (2011), sparked fears of impending regime changes that could additionally

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destabilise the region (Weitz 2011). In practice, Beijing has consistently argued that negotiations through dialogue and consultations, rather than punitive sanctions, are the best way to resolve the Iranian nuclear issue. In the Iranian case, Beijing believes that sanctions are unlikely to produce results, given their failure to stop Tehran's nuclear activities to date (International Crisis Group 2010: 11).

Nevertheless, since 2006, China has supported a series of UN Security Council resolutions imposing sanctions on Iran.¹ The revelations pertaining to Iran's covert nuclear activities found that Iran had undeniably violated its obligations to the International Atomic Energy Agency (IAEA) and under the NPT. China faced with unanimous support for sanctions in the UN Security Council, tried to delay its decision but did not make any use of its right to veto. At the same time, Beijing's negotiators sought to maximise concessions from Iran and the US as well as its European allies (International Crisis Group 2010: 12).

China has been increasingly frustrated with Iran's lack of cooperation with the IAEA and has gradually adopted a firmer stance towards Tehran. Yet, the West remains concerned about deficient implementation of UN Security Council resolutions and trade controls, as China's economic ties with Iran undermined effective implementation of sanctions. China saw little harm in voting in favour of sanctions because they had only minimal impact on China's economic relations with Iran. Besides, as a consequence of additional sanctions, trade competitors in the West would also have their hands bound (Saghafi-Ameri 2011).

The US has attempted to encourage other major oil exporting Arab states, particularly Saudi Arabia, to offer favourable oil deals to China as an offset for possible interruptions of energy imports. The goal was to provide Beijing with incentives to ease its stance on sanctions vis-à-vis Tehran. Analysts also concluded that Beijing was unlikely to feel comfortable with an agreement that implicitly would have given Washington leverage. Nevertheless, in 2010, Chinese oil imports from Iran dropped and several key Arab oil-exporting countries have significantly increased their oil exports to China (ICG 2010: 14). According to press reports in early 2012, China and Saudi Arabia will continue to extensively expand their economic and political ties in the future. This move can be regarded as a additional shift in China's economic and foreign policy approach towards Iran, after it has already dropped its assistance in Iran's armament (Hu 2012).

NUCLEAR ASSISTANCE

During the past 30 years, with the development of the Chinese economy and its rising clout in international affairs, Beijing has reviewed its stance on non-proliferation issues. Further, with rising insights about the political intricacies in Iran, complex

¹ China voted in favour of UN Security Council Resolution 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008) and 1929 (2010).

international and regional contexts and its own greater stakes in global markets and stabilities, China's approach has fundamentally shifted. The case of Iran clearly delineates this kind of shift. During the past decade, Beijing has refrained from any active support of Tehran nuclear ambitions. Targeted US sanctions against Chinese companies have also contributed to a decrease of engagement. Today, the main concern lies with the exports of civilian dual-use products.

Previous Chinese leaderships regarded the division of nuclear haves and have-nots under the NPT as discriminatory and as an attempt by the superpowers to sustain their nuclear monopoly and military dominance. China also advocated developing countries' acquisition of nuclear technology in principle, claiming that the development of nuclear weapons was the legal right of any sovereign country. Thus, the nuclear aspirations of states such as Iran were regarded as a legitimate means of small states' self-assertion and independence.

Beijing regarded the proliferation of nuclear weapons as a possibility for developing countries to break the monopoly of superpowers, which would eventually lead to global disarmament. However, once China had acquired its own nuclear weapon, its approach towards non-proliferation gradually changed because policymakers recognised the dangers of spreading nuclear weapons. In subsequent years, Chinese leaders came to acknowledge the growing influence of the non-proliferation regime and accepted its inevitability (Frieman 2004: 16).

China's accession to the NPT in 1992 was of high symbolic value. By joining a regime that it had previously opposed, Beijing signalled a substantive policy shift. Not only was it possible to legitimise its own possession of weapons, but also to avoid international isolation, particularly after the events on Tiananmen Square in June 1989. Although Beijing maintained the opinion that the NPT had a discriminatory membership structure, it favoured the fact that all members are subject to the same prohibitions on transfers of nuclear material. Besides, the accession to the NPT made possible access to advanced civilian nuclear technology (Frieman 2004: 37).

China's cooperation with Iran originated in a nuclear cooperation agreement concluded in 1985, as part of a major arms deal. The agreement was neither announced nor officially acknowledged at the time. Between 1985 and 1997, China was Iran's main partner in developing capacities in nuclear technology. During this period, China allegedly assisted Iran with uranium mining, conversion and enrichment, as well as with setting up fuel fabrication technology (for a comprehensive account on China's assistance to Iran's nuclear programme, see Garver 2006: 139–65). Although China's motivations of providing Iran with nuclear know-how were of exclusively commercial nature, both countries have long denied their nuclear cooperation.

It was not until 1991 that China and Iran started to acknowledge their nuclear partnership. Both countries provided documentation on their cooperation to the IAEA in 2003 and have continuously argued that Chinese nuclear assistance was legal and consistent with the provisions of Article 4 of the NPT. The article provides for peaceful nuclear energy cooperation between countries; besides, Iranian nuclear facilities were under the scrutiny of the IAEA (Gill 1999: 130).

It is generally believed that as part of the cooperation protocol, China mainly provided assistance to Iran's nuclear research centre at Isfahan (ENTEC). The centre was established in 1984 to facilitate research on reactor technology as well as the nuclear fuel cycle including uranium enrichment and reprocessing technology (Timmerman 1995). ENTEC was not declared to the IAEA as a nuclear facility until 1992. Chinese companies allegedly provided four small research reactors for training purposes to the Isfahan nuclear complex and trained Iranian nuclear engineers from Isfahan in China. None of the four reactors posed a risk of proliferation because they were subject to IAEA safeguards since 1992 and did not produce any significant quantities of weapons grade fissile material. However, the facilities enabled Iranian technicians to build capacities and learn about valuable design principles (Garver 2006: 144).

In 1991, a sales proposal of a 20 to 30 megawatt heavy water research reactor for the Iranian Isfahan site was reported. The sale of two 300MW pressurised water reactors that was part of a nuclear energy cooperation agreement signed in September 1992 in Beijing was ultimately suspended. The decision followed US diplomatic pressure and was also a precondition to China's certification as part of the implementation of the US–China Peaceful Nuclear Cooperation Agreement (Albright 1995: 25; *Nuclear News* 1992).

The heavy water research reactor deal especially had generated serious concern in the West about the possible production of plutonium for Iran's covert nuclear weapons programme. American analysts held that the reactor's sole utility was plutonium production and that it had the capability to produce up to 6 kg of plutonium per year. There were also misgivings about the possibility that the nuclear deal might include fuel rod fabrication equipment, which could be used to generate fissile material for military purposes (Gill 1999: 132). Although the amount of weapons grade fissile material was relatively small, the US felt the need to urge China to cancel the deal (Hibbs 1992: 5). Unlike previous transactions, the sale of two 300MW pressurised water reactors was made public from the beginning and both sides emphasised that the reactors would only be used for peaceful purposes and subject to IAEA safeguards.

After Beijing had initially rejected an American appeal to suspend the sale, in September 1995, the Chinese Foreign Minister Qian Qichen told his US counterpart that Beijing had unilaterally decided to cancel the delivery of two reactors due to technical and financial problems. However, he later denied the assertion and claimed that the deal had been suspended because of disagreements over the proposed building site for the reactors (Hibbs 1995: 1). In early 1996, the Ministry of Foreign Affairs reiterated that the reactor deal with Iran had only been temporarily suspended, but the deal never materialised (Koch and Wolf 1997: 129).

Despite the cancellation of the deal, China reportedly supplied Iran with significant amounts of heavy water (Garver 2006: 152). Critical deliveries to Iran included the supply of 1,600 kg of natural uranium to Iran during 1991. This transfer was not declared to the IAEA until 2003. The uranium enabled Iran to become familiar with a number of essential aspects of the nuclear fuel cycle by carrying out enrichment and

reprocessing experiments (Garver 2006: 145–7). China also reportedly assisted Iran in the field of uranium conversion and enrichment.

In the late 1980s, China provided Iran with a small cauldron—an electromagnetic separator used in uranium enrichment—for the Isfahan research facility. However, IAEA inspectors that had visited the site in 1992 determined that the machine was too small for the enrichment of uranium of weapons grade and that its commissioning was consistent with civilian nuclear research (Koch and Wolf 1997: 126). During another IAEA visit to Isfahan in November 1996, Iran informed the IAEA that it intended to build a Chinese-supplied UF₆ conversion plant at the site. The conversion plant was to become subject to IAEA safeguards and was expected to become operational after 2000 (Hibbs 1996: 1). It is widely believed that Washington convinced China not to provide the plant as a prelude to opening US nuclear exports to China under the US–China nuclear cooperation agreement.

However, China was suspected of providing Iran with blueprints for the UF₆ facility. The UF₆ plant project generated serious concern as the conversion of uranium oxide or yellow cake into UF₆ gas is an essential step in the process of uranium enrichment. At the time, Iran had not declared any enrichment facilities to the IAEA. In view of the high costs associated with the development of nuclear fuel cycle facilities, allegations were prompted that research in gas centrifuge technology was secretly being conducted (Koch and Wolf 1997: 126). Although Beijing did not proceed with the sale, the technical know-how acquired by Iran provided a basis for the indigenous construction of an UF₆ conversion plant (Hibbs 2003: 12).

Till today, it remains doubtful if the Chinese leadership knew about Iran's covert nuclear activities at the time. There is no evidence available that Chinese companies were directly involved in any alleged Iranian nuclear weapons projects. It should also be noted that after acceding to the NPT in 1992, China's nuclear cooperation with Iran was in compliance with existing norms of the global non-proliferation regime.

However, Chinese nuclear assistance had undeniably equipped Iran with technologies and know-how that could have been used to set up the covert nuclear programme that was discovered by the IAEA as late as 2003. Beijing's decision to disengage from nuclear assistance to Tehran is linked to fundamental changes in Beijing's approach towards the international non-proliferation regime.

In 1997, China responded to US pressure and finally abandoned its nuclear cooperation with Iran. At the time, China wanted to keep the momentum of its improving international relations going (Garver 2006: 139). Prior to the US–China Summit in October 1997, Beijing promised that it would not engage in any new nuclear cooperation with Iran (Kan 2012: 11). This move was a crucial precondition for the US for implementing the Peaceful Nuclear Cooperation Agreement between the countries in March 1998. Washington regarded the assurance as a necessary precondition for granting US companies permission to build up trade relations in civilian nuclear technology (for a comprehensive account on the US–China Nuclear Cooperation Agreement, see Kan and Holt 2007; and Gill 1999: 120).

Prior to the US–China summit in 1997, Washington demanded that Beijing commit to a range of demands to ratify the 1985 US–China Peaceful Nuclear Cooperation Agreement. This involved establishing a comprehensive nuclear export control regime including the controls of dual-use items. Additionally, China joined the Zanger Committee in 1997, a group of nuclear suppliers working to harmonise their nuclear export control regulations and abide by a specific list of nuclear technologies and equipment that are subject to strict controls. The US also urged China not to provide any nuclear assistance to unsafeguarded facilities. Washington sought written assurances from Beijing that it would not provide any further nuclear technology related assistance to Iran. During the pre-summit meeting, Beijing handed over a confidential letter, containing an assurance that it would not offer any renewed assistance to Iran's nuclear programme and that existing cooperation would end (Kan and Holt 2007).

Although China seems to adhere to its commitments demanded by the US in 1997 to abandon nuclear cooperation with Iran, Washington remains concerned about possible interactions between Iranian and Chinese entities and has repeatedly criticised Beijing for not adequately implementing national trade controls. According to US government reports, Chinese firms have most likely remained involved in unauthorised interactions with their Iranian counterparts. As a consequence, the US has since 2001 imposed sanctions on a number of Chinese companies. The basis was the prohibition of the transfer of dual-use items, under the 2000 Iran Non-proliferation Act (for a list of Chinese entities sanctioned for weapons proliferation, see Kan 2012: 71–9).

BALLISTIC MISSILE ASSISTANCE

Besides nuclear cooperation, China has also played an active role in assisting Iran's missile programmes. The allegation is that it has provided training as well as missile technology and production equipment. Some reports indicate that China also may have transferred complete short-range missile systems to Iran. Yet, the proliferation of missile technology has in practice taken a different path than nuclear assistance.

Policy shifts concerning the proliferation of missile technology have been less pronounced and comprehensive and have taken place at a much slower pace. China regarded the Missile Technology Control Regime (MTCR) of 1987, as solely serving Western interests and an effort by the US in achieving its foreign policy goals.² Beijing

² The MTCR is a voluntary regime that seeks to control the transfer of missiles and other unmanned delivery systems that are inherently capable of carrying at least a 500 kg payload to at least 300 km. In 1993 the regime was expanded to also apply to missiles and related technologies designed for chemical and biological weapons. The MTCR's annex is divided into two separate groupings of items, Category I and Category II. Category I includes complete missiles and rockets, major sub-systems and production facilities. Specialised materials, technologies, propellants and sub-components for missiles and rockets comprise Category II (<http://www.armscontrol.org/factsheets/mtrc>; Medeiros 2007: 172).

has not become a member of the MTCR but agreed to abide by its guidelines in 1992. However, Chinese officials later stated that this assurance did not include the MTCR annex (Medeiros 2007: 151).

Tehran has continued to actively develop long-range ballistic missiles of several types (International Institute for Strategic Studies 2010). According to US declassified intelligence reports, China's assistance has helped Iran to 'move toward its goal of becoming self-sufficient in the production of ballistic missiles' (Federation of American Scientists 2012). The US views Chinese missile technology transfers to Iran with concern because many of Iran's ballistic missiles are in principle be associated with an alleged Iranian nuclear weapons program.

In 2008, the IAEA obtained documents providing evidence that Iran may be modifying a missile re-entry vehicle in order to accommodate a nuclear warhead. Iran has claimed that the evidence was fabricated (see International Atomic Energy Agency 2008). China's involvement in Iran's missile programmes started during the Iraq–Iran war in the 1980s. China assisted Iran with short-range artillery rockets for battlefield use and provided equipment and training for an indigenous production and improvement of the rocket systems, including the production of solid missile propellant fuel (Garver 2006: 186). China continued to provide Iran not only with more advanced short-range ballistic missile technology, but also complete SRBM systems. Iran is believed to have imported 200 Chinese M-7 SRBMs in late 1989.³ Tehran reportedly also attempted to acquire M-9 and M-11 SRBMs from China in the 1990s.⁴

Yet, China did to all appearances not transfer any complete M-9 and M-11 missile systems to Iran because of US diplomatic pressure. Unlike the M-7, the M-9 and M-11 SRBMs clearly fall under MTCR Category I, given their payload and range. Their transfer would have been a violation of China's pledge to abide by the MTCR guidelines. Nevertheless, it is widely believed that China has provided expertise, technology and production equipment related to the M-9 and M-11 missile systems and as a result, Iran has indigenously developed variants of these systems (Gill 1999: 126–7; Shuey and Kan 1995). Beijing reportedly also assisted Iran's medium-range ballistic missile programmes. US intelligence reports concluded in 1995 and 1996 that China had sold Iran guidance technology and components for testing ballistic missiles, most likely for application in the Shahab programme (Katzman 1998: 5–6). While the Shahab programme is based on North Korean Scud missile technology, Chinese aid enabled Iran to increase accuracy and range in the production of its indigenously developed variants, based on the Scud missile design (Gill 1999: 129).

In November 2000, Washington negotiated an agreement with China under which Beijing issued a public statement that it would not assist other countries' efforts to

³ The M-7 is a two-stage, solid fuelled modified ground-attack version of the SA-2 surface-to-air missile and is believed to carry a warhead payload of 190 kg for a maximum range of 150 km.

⁴ The single-stage, solid fuelled M-9 carry a warhead payload of 500 kg and has a range of 600 km. The M-11 is a two-stage, solid fuelled missile with a range of 280 km that can carry a warhead payload of 800 kg (Feickert 2004: 1–2).

develop ballistic missiles and that it would adopt a control regime that would mirror MTCR regulations (The Acronym Institute for Disarmament Diplomacy 2000). However, the US government remains concerned and believes that Chinese entities have continued to provide sensitive technology and dual-use items that could have an application for Iran's missile programmes despite repeated US sanctions imposed on Chinese firms and continued diplomatic pressure (Kan 2012: 25).

OUTLOOK

China's approach towards international arms control regimes has changed over the past two decades. Beijing has made enormous efforts in setting up a domestic regime for export controls which covers exports of nuclear and nuclear dual-use, chemical, missile and conventional weapons as well as related technologies (Zhao and Bian 2011). Although the system has been fully implemented, export controls have not yet reached full effectiveness. Issues such as lack of knowledge of companies as well as insufficient license reviews, lack of end-user reviews and customs inspections might occasionally still lead to failures in the system.

In the case of Iran, the loopholes in the system might in a few cases still benefit illegal exports. More importantly, the differentiation between civil and military purposes is difficult to solve by regulations alone. China's neglect of banning non-military exports and its political principle of refraining from trade sanctions does not make controls on dual-use any easier.

However, China's relatively low geopolitical interest in Iran and its limited commercial interests have made it possible for Beijing to evolve as an active stakeholder in international negotiations concerning Iran. Although Beijing's policymakers had continuously to put up with public accusations of filling the gap where Western sanctions left bottlenecks in Iranian imports and unnecessarily supporting the Iranian regime, Beijing has for the past ten years been following its own policy rationales. While China still tries to dissuade Tehran from finalising its military nuclear programme, destabilising Iranian economy and society was not regarded as a desired goal. In following this approach, Beijing was forced to balance its own interests and political rationales with the situational realities on the ground and pressures, particularly from the US.

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