



Knesset speaker Yuli Edelstein MK for the Likud party (R) shake hands with his guest, the Chinese counterpart, Zhang Dejiang, at a meeting in the Knesset.

Photo by **David Michael Cohen/TPS** on September 20, 2016

Technology, Innovation Carves Israel-China Relationship in Stone

Written by **Andrew Friedman/TPS** on December 31, 2017

China's involvement in the Middle East took centre stage at two conferences in Tel Aviv this past week, as local and China-based observers gathered to discuss the likely impact the Chinese Communist Party Congress, held in October, will have on Israel and the wider region. President Xi Jinping used that event to lay out in de-

tail an ambitious 30-year agenda on both domestic and foreign affairs and won near-mythic status as one of China's most influential leaders.

At the Interdisciplinary Centre (IDC) in Herzliya, Maj. Gen. (Ret.) Amos Gilead used the Center's annual conference on Israel-China relations this week to call on Beijing to use its growing influence with Iran - bolstered by annual bilateral trade between the countries of approximately \$40 billion - to pressure Tehran to abandon its nuclear program. "Iran ... is the main threat that Israel faces and we must do everything in our power to convince the Chinese to (prevent them from) becoming a nuclear power," said Gilead, a former Director of Policy and Political-Military Affairs at the Ministry of Defense who now serves as head of the IDC's Institute for Policy and Strategy.

"China must prevent (the Iranians) from accomplishing this because it would create a completely new reality and present an existential threat to Israel."

However, Chinese and Israeli experts agreed that Beijing is unlikely to abandon its policy in the Middle East of distinguishing between economics and regional politics.

"When it comes to Middle East politics, China walks a fine line and is careful to separate between economic partnerships and political partnerships," said Alexander Pevzner, the founding director of the Chinese Media Center.

Pevzner said that that "fine line" means that China is unlikely to push Tehran to abandon its nuclear program, or even to push its ally, North Korea, to stop sharing nuclear technology with Iran.

On the other hand, Pevzner also said that China's is complemented by two additional realities: One, that the US technology market (and, increasingly, the European one), is largely off-limits to Chi-

nese investors because of military concerns. And two, that many Chinese see Israel as a “powerhouse” of innovation. that there has also been a backlash in Europe in recent year, leaving Israel as one of the central destinations for Chinese technology investors.

“At both the EU level and the level of member states, Europe has been at war against Chinese capital, Chinese acquisitions, so I think Israel will play a significant role ...and I think that China will step up efforts to curry favor with Israelis. That gives Israel a critical role to play.”

To illustrate the point, Pevzner noted that Israel’s “special relationship” with the United States holds the potential for an eventual clash between Jerusalem and Beijing - all sides know that defence technology is off the table, a fact that frustrates China.

But that frustration has not impacted public opinion in China, nor China’s willingness to engage with Israel on non-defense related projects.

“It’s not like (Israel’s inability to provide defense technology) has led to mass protests on the streets,” Pevzner told a roundtable discussion entitled *Xi’s vision for China’s global future – and what it means for Israel*, hosted jointly by the Israel-Asia Center and the Chinese Media Center last week at the Tel Aviv Stock Exchange. “Many Chinese see Israel as a powerhouse of innovation... (but) the US-Israel relationship has not stopped Beijing from enthusiastically embracing economic and technology ties.”

Still, it is clear that China views itself as a superpower for the 21st century, a goal that Xi’s 30-year plan seems tailored to achieve. The cornerstone of the plan, One Belt, One Road (OBOR), aims to renew the ancient Silk Route trading route linking Asia and the Far East to Europe [the road], and the traditional maritime route [the belt]. Roi Feder, Manager Director, Israel for APCO Worldwide, told the panel that in addition to economic might, China’s vision of

itself as a political power on the world stage is bolstered by the perception that America is stepping back from that role.

Asked what would a Chinese-led world order would look like, and especially what the implications of that would be for Israel, Feder said a seemingly innocuous comparison between Chinese President Xi and US President Donald Trump could well have indicated a signal change that reverberates far beyond those two countries.

“On October 18, President Xi spoke to the party congress for three-and-a-half hours, with people hanging on to every word that he said... At the same time, President Trump spoke in the Rose Garden, with barely 20 minutes of attention (paid to him). I think that may have been movement of change, said to the world ‘there’s been a shift’, in power, in dominance.

“It’s true that if the China - US relationship deteriorates it will impact our ties with China. But when Trump got into the White House people expected the sky to fall. But it didn’t fall - Trump visited China. Chinese know how to manage this relationship.

“Ultimately, I’d reiterate what Alexander said: The Chinese know how to differentiate between political/military issues and economic issues. And since Prime Minister Netanyahu’s visit there in 2013 Netanyahu visit there has been a flood of Chinese investment in Israel. The relationship between the countries is celebrated in the open. Some Arab countries are not so happy about that. And his visit last year led to the Innovative Strategic Partnership.

“That carves into “stone” Israel’s value to China,” Feder said.