



Israel's delicate dance: Balancing China and its best friend

SINCE ISRAEL'S inception 72 years ago, the Jewish state has been a nation with few friends except for the US. So over the past decade, when the world's two most populous nations want to cozy up to you, don't question your right to exist, respect and seek your innovations, and unlike Israel's current number one trading partner the European Union, are not burdened with endemic antisemitism, Israel is overjoyed to welcome them into their home.

The development of these relationships has been considered one of Prime Minister Benjamin Netanyahu's greatest political triumphs, so much so that India, which used to be a client of the old Soviet Union, an arch villain of Israel and the US, is now Israel's defense industry's largest customer.

While India does not pose as significant a security risk to Israel as China, despite India's relationship with Iran, India unlike China is the world's largest democracy and has been growing more friendly to the US, and less comfortable with China – witness the recent deadly skirmishes in the Himalayas.

Israel is on a collision course with the US over its China relations and economic ties, as the American national security establishment views China as its primary and growing strategic threat. Israel is now being asked to choose sides, even as America itself is trying to find its own balance in its relationship with China. Many American national security figures think US President Donald Trump has been too deferential to President Xi Jinping, too willing to trade American security considerations for economic deals. But America as the superpower has that prerogative; Israel lies in its shadow.

The importance America places on Israeli-Chinese ties was highlighted by a trip by US Secretary of State Mike Pompeo to Israel during the pandemic for the express purpose of directly sharing the administration's profound concern for Chinese entanglement in Israel's infrastructure, and research and

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Chinese President Xi Jinping and Prime Minister Benjamin Netanyahu meet at Diaoyutai State Guesthouse in Beijing on March 21, 2017

development across many cutting-edge fields, coupled with a warning to Israel that America might need to rethink its security relationship if Israel doesn't disengage from some of this activity. Pompeo has said that unless Israel reduces its cooperation with China, the US might reduce "intelligence sharing and co-location of security facilities" with Israel.

American concerns with Israel include the Chinese operational control of the Haifa seaport by the Shanghai International Port Group for 25 years, where the US Mediterranean Sixth Fleet docks that some view as a direct threat to American security and intelligence gathering. America is worried that this port can become one of the stepping stones of China's new "Silk Road" (One Belt One Road, or Belt and Road) program linking over 60 nations.

The most recent Israeli-Chinese commercial transaction under the microscope is the possible deal with a Hong Kong-based Chinese controlled company to build the world's largest desalination plant (Sorek 2) at an Israeli kibbutz. Another bone of contention is China's Railway Tunnel Group that is close to finalizing a deal for Tel Aviv's light rail transportation system; this too may be seen to have major security implications. China's first infrastructure project in Israel was the Carmel Tunnels, also an American concern. The American fear is that China could gain unprecedented intelligence with the help of intelligence operatives implanted within Chinese companies, undermining both Israeli and American security interests.

America is also worried about joint research and Chinese investment with Israeli

technology companies that use cyber security, AI (Artificial Intelligence), and satellite telecommunications that could be used by Chinese companies like ZTE and Huawei. Two years ago ZTE, China's second largest telecommunications company admitted to violating American sanctions against Iran and North Korea, and was fined over a billion dollars. Highlighting American's own problems balancing its Chinese relations, according to John Bolton's account in his controversial new book, *The Room Where It Happened*, Trump backtracked on ZTE sanctions, enabling it to survive.

From China's perspective, Israel is an important link in its grand design to extend its hegemonic influence through its Belt and Road economic initiative to control trade from the Far East to Europe. The Belt and Road is a multi-billion-dollar strategy to bring nations in Asia, the Middle East, and Africa under its influence through economic development while gaining leverage by saddling many of these nations with non-repayable debt. Beijing's goal is to use that leverage to manipulate other nations' foreign policy in its favor while gaining access to intelligence where there are military relations with the US.

Beijing has also completed a vast digital Silk Road, that incorporates a satellite navigation system to rival America's GPS, and 37,000 miles of underwater fiber optic cable. According to an AI-Monitor report, the Council on Foreign Relations said "Chinese controlled technology companies can insert 'backdoor mechanisms that could increase [Beijing's] intelligence and propaganda operations in Belt and Road Initiative partner countries."

Let's be clear: China's goal is to become the other great superpower in the world, eventually eclipsing the US.

Israel is somewhat different from other client states of the Belt and Road Initiative, being the only first world country in the third world backwater of innovation that is the rest of the Middle East. China sees Israel as a great opportunity. As in the US, Chinese investments in Israel are about learning and stealing as much technology and scientific know-how as possible. China has created a situation of forced technology transfers from American industry, and Israel must be cognizant that China will have the same designs on its technology, and might be willing to share what they learn with Israel's enemies.

In the short run Israel has benefited greatly by its growing trade with China, which has grown fourfold in just the last ten years, becoming Israel's third largest trade partner at more than \$14 billion per year. However, in the long run this may be a potential disaster as the US fears the entrenchment of Chinese industries within all facets of Israeli commerce will allow it to spy, through Israel, on US interests. Israel initially saw China through a completely economic lens but is now under pressure from the US to recognize that Chinese economic cooperation could contain these threats. This isn't new as over twenty years ago Israel ended all defense and dual use technology sales to China under pressure from the US, when Israel tried to sell phantom AWACS "intelligence aircraft" to China.

In response to the growing China threat to America, the US this year published its Strategic Approach to China. It acknowledged that since relations and economic integration of China began 40 years ago, the hoped-for liberalization of Chinese society has not occurred. It has not transformed into a friendly competitor but instead has exploited the free market system to become an aggressive adversary that preys on American allies and undermines US interests.

American policy over the last two decades assumed that bringing China into the family of nations by allowing it to join the WTO (World Trade Organization) would stop its stealing US company's intellectual property and the practice of forced technology transfers. In reality under Xi, China has become less liberal, more assertive, and has not respected international norms in commerce.

The American National Security Strategy of 2017 said China wants "to erode American security and prosperity (and) shape a world antithetical to US values and interests." The most public evidence of the American-Chinese competition involves the telecommunications giant Huawei which the US accuses of being an "arm of the CCP's (Communist Government) surveillance state. Pompeo said, "Every investment from a Chinese... enterprise should be viewed with suspicion."

A report in *The Jerusalem Post* said that the RAND research institute warned that the close ties of China and Iran, "might require Chinese companies doing business in Israel to share insights with the Iranian government," something that would directly affect Israel's most vital national security

interests. Last fall under American pressure, Israel set up a committee to review all strategic foreign investments that deal with national security.

According to an analysis by Seth J. Frantzman, there is a bipartisan Congressional initiative to support a unique effort "to establish a US-Israel Operations-Technology Working Group." That would combine the speed Israel develops and brings high tech to the battlefield, with the overwhelming size and capabilities of the advanced US military industry. America benefits because its military bureaucracy doesn't lend itself as well to incorporating new advances into its military theaters, something Israel excels at.

Could this and other significant joint US-Israeli efforts to improve joint anti-missile defense, anti-tunnel defense and laser anti-drone technology to name a few, be threatened by America's growing fear that sharing its most important security secrets could be compromised by Israel's relationship with China?

Israel and the US share their most sensitive security and intelligence information, in addition to the most secret weapon systems from the F-35 fighter jet to the multi-layered Israeli anti-missile system that is a fundamental core of all Israeli strategic plans for future wars. This mutual trust cannot be endangered, especially if the current "War Between the Wars" with Iran turns hot. Israel needs America fully invested in supporting its defenses against Iran and its surrogates.

It's time for Israel to step back from the economically tempting involvements with China. Washington also needs Israel for its deep-water port in Haifa, its unrivaled intelligence, Israel's R&D that advance American weapons systems and cyber capabilities, and joint operations and training of US troops in Israel. It's not permissible for these activities to be spoiled by Chinese entrenchment into Israel's infrastructure.

Although the effects of the pandemic have battered Israel economically, it must heed Washington's warning, even if there is short-term financial loss. Bottom line: Israel must prioritize its long-term security relationship with the US. ■

The writer is the Director of MEPIN (Middle East Political Information Network), and regularly briefs members of Congress and their foreign policy aides, as well as White House advisers