

The View from Beijing

by Wang Jin

China's relationship with Israel has come a long way since its tumultuous beginnings. No longer caricatured as an oppressive, imperialist U.S. proxy, Israel is clearly seen by Beijing for what it is: a flourishing nation with a stable political and social order, a highly developed economic system, and an advanced science and technology sector. These are precisely the qualities the Chinese government hopes to find in its partners and allies, especially since President Xi Jinping launched the Belt and Road Initiative—Beijing's global investment, trade, and development strategy—in 2013.



Then-foreign ministers David Levy and Qian Qishen sign the agreement establishing diplomatic relations between Israel and China, January 24, 1992. Prior to 1992, Beijing feared establishing relations with Jerusalem because it might jeopardize its relationship with the Arab world and because it saw Israel as aligned with the West.

The Evolution of Relations

Early relations between China and Israel were strained. While the Jewish state was the first Middle Eastern country to recognize the People's Republic of China after Mao Zedong's revolution, normal diplomatic relations were not established until 1992, both because Beijing did not want to jeopardize its relationship with the Arab

world and because it viewed Israel as closely aligned with the West. Mao's communist narrative demanded that China liberate all supposedly oppressed peoples, including the Palestinians, though this narrative was complicated by the fact that Israel was established through a resolute struggle against the British Empire, that it was ruled by a socialist government, and that most

Chinese recognized that the Israelis, like themselves, belonged to an ancient civilization that had suffered at the hands of the Axis powers.

At the 1955 Bandung conference, which sought to align the Afro-Asian nations into a “Third World” that would provide a counterweight to the two super-power blocs, Beijing walked a middle line by expressing support for the Palestinian “right of return” while refusing to deny Israel’s right to exist and secretly pursuing trade ties with Jerusalem. Yet viewing itself as a leader that could unite the newly established alignment in the struggle “against imperialists and colonialists,” China made its relations with the Arab states a diplomatic priority. In 1956, it established relations with Egypt—whose leader Gamal Abdel Nasser played a key role in the Bandung conference—as well as with Syria and Yemen. During the Suez crisis that same year, Beijing stood firmly with Egypt and severed all connections with Israel.¹

After Mao’s death in 1976, communications resumed between Beijing and Jerusalem. They established secret military ties in the 1980s during the Soviet occupation of Afghanistan, supplying weapons to the Afghan mujahedeen, and also exchanged delegations of academics, businessmen, and industrialists.² Beginning in 1987, Chinese and Israeli diplomats held a number of secret meetings in Paris and New York and reached an agreement on the establishment of formal diplomatic

Beijing expressed support for the Palestinian “right of return” while refusing to deny Israel’s right to exist.

relations.³ In 1990, the state-owned Chinese International Travel Agency established an office in Tel Aviv.

Relations between China and Israel became easier after the 1991

Arab-Israeli Madrid peace conference, and in November of that year, Israeli defense minister Moshe Arens paid a secret visit to Beijing.⁴ On January 24, 1992, Israeli foreign minister David Levy and Chinese foreign minister Qian Qichen signed the Joint Communiqué on the Establishment of Diplomatic Relations.⁵

Economic relations between the two states also grew closer with China becoming Israel’s largest trading partner in Asia and the third largest in the world after the United States and the European Union. After President Xi Jinping announced his global development strategy known as the Belt and Road Initiative in 2013, Israeli-Chinese economic cooperation grew significantly in both scope and essence. In the annual government report of 2015, Prime Minister Li Keqiang stressed Beijing’s intention to “push the negotiations for establishment of a free trade zone with both the Arab states of the Gulf and Israel.”⁶ By 2017, bilateral trade had reached \$13.1 billion with Chinese companies investing over \$7 billion in Israel.⁷

¹ Yin Gang, “Zhongguo yu yiselie guanxi 60 nian pingshu,” *Xiya Feizhou*, no. 4, 2010, p. 32.

² Peter Barton, “The Evolution of Sino-Israeli Relations,” *Israel Journal of Foreign Affairs*, Sept. 2010, pp. 69-80.

³ Guo Baige, “Zhongguo he yiselie jianjiao shimo—jinian zhongyi jianjiao shiwu zhounian,” *Xiya Feizhou*, no. 6, 2007, p. 40.

⁴ *Los Angeles Times*, [Jan. 21, 1992](#).

⁵ *The New York Times*, [Jan. 23, 1992](#).

⁶ *China News* (Beijing), [Mar. 5, 2015](#).

⁷ *The Jerusalem Post*, [Oct. 21, 2018](#).

China-Israel Bilateral Trade Volume after 1992

1992	\$ 50 million
1996	\$ 400 million
2005	\$ 3 billion
2010	\$ 5 billion
2014	\$ 11 billion
2015	\$ 11.4 billion
2017	\$ 13.1 billion

Source: Ministry of Commerce of the People's Republic of China

Belt and Road Initiative and Economic Cooperation

Viewing entrepreneurship and innovation as crucial to the success of its Belt and Road Initiative, the Chinese government has actively pursued international innovation cooperation as a means to upgrade its industrial infrastructure and promote stable and healthy economic development.⁸ As the “Start-up Nation” and “Innovative Nation,” Israel has come to be seen as a role model for this endeavor.

Traditionally, China has been mostly interested in Middle Eastern energy supplies, but with the advent of the Belt and Road Initiative, more and more Chinese capital is being invested in Israel's high-tech sector. Some of China's biggest technology companies, such as Baidu, Lenovo, 360, and Pingan, are partnering with Israeli firms. In May 2013, Fosun Pharma purchased 95 percent of the stock in the Israeli company Alma Lasers for \$220 million. Bright Food Group, the largest food company in Shanghai, purchased the Israel food company Tnuva for \$2.5 billion in April 2015. In September 2015, Fosun Pharma purchased more than half the stock in Israel's cosmetic brand Ahava.

⁸ *The China Daily* (Beijing), Mar. 12, 2015.

China, also, perceives Israel as a center of world innovation and wants to forge more academic and scientific ties. Xi Jinping stated,

We should follow the strategy of innovation as an impetus for development ...

Independent innovation should be the essence of this strategy, and the most urgent thing to do is to eliminate the system and mechanism obstacles so as to free up the huge potentials of science and technology as the primary force of productivity.⁹

During his official visit to China in May 2013, Israeli prime minister Benjamin Netanyahu likewise expressed his desire for cooperation.¹⁰

In May of the following year, Chinese vice prime minister Liu Yandong visited Israel and attended an innovation conference in Tel Aviv. During his visit, the two states agreed to set up the China-Israel Intergovernmental Mechanism of Economic and Technological Cooperation (IMETC) and the China-Israel Joint Committee on Innovation Cooperation (JCIC).¹¹ In January 2015, the two countries signed a three-year Sino-Israeli

⁹ Xinhua News Agency (Beijing), [June 9, 2014](#).

¹⁰ *Keji Ribao*, Ministry of Science and Technology of the People's Republic of China, Feb. 2, 2015, p. 1.

¹¹ Xinhua News Agency, [Oct. 26, 2018](#); *The Jerusalem Post*, [Mar. 17, 2016](#).

action plan on innovation cooperation in Beijing.¹²

Meanwhile, several bilateral working groups that cover high technology, industry, agriculture technology, environmental conservation, energy, and finance have been set up by local governments and academic establishments. The Forum of China-Israel University Presidents under the 7+7 Universities Coalition is the most influential.¹³

Chinese and Israeli universities have also established a number of joint institutions. Tsinghua University and Tel Aviv University founded the XIN R&D center in May 2014 as a model for bilateral cooperation.¹⁴ The first overseas office of a Chinese publishing company, the Israel office of Renmin University Press, was established at Tel Aviv University in January 2016.¹⁵

China's local governments also cooperate with Israeli entities and companies. The biggest Chinese-Israeli industrial zone, the Changzhou Park (CIP), was set up in Changzhou city in Jiangsu Province. The CIP has gathered forty-one Israeli companies such as Lycored, Tuttnauer, Taditel, CollPlant, and Dagan. Industries include medical equipment, new materials, agricultural industry, auto components, food, consulting, and finance. The CIP has become

Beijing hopes to leverage its construction laborers to penetrate foreign markets.

the “international cooperation base” for China’s Ministry of Science and Technology and “the High-Tech Cooperation Showcase Zone” recog-

nized by China’s National Reform and Development Commission.¹⁶

For the Belt and Road Initiative to succeed, Beijing must forge transportation links with the countries that make up the Belt and Road region: the southern tier of Asia from Israel to Indonesia, plus a number of African states. Beginning in 1993, international airline service connected Beijing and Tel Aviv. In 2013, the number of flights increased from two per week to three. Direct flights between Hong Kong and Tel Aviv jumped to six per week.¹⁷ More and more Chinese and Israeli localities have become “sister cities,” an important milestone in bilateral relations.

China and Israel are also cooperating on infrastructure projects. Beijing hopes to leverage its construction laborers to penetrate foreign markets. Given its companies’ successful construction of the Carmel Tunnels in Haifa, China hopes to win more opportunities there. In March 2015, the Chinese Shanghai International Port Group was awarded a contract from the Israel Ports Company to operate a new private port in Haifa that should become operational by 2021.¹⁸ China Harbor Engineering Company, operated by the Chinese Ministry of Transport, won a bid to construct the South Port in

¹² Xinhua News Agency, [Oct. 26, 2018](#).

¹³ Israeli universities include Bar-Ilan University, Ben-Gurion University, Hebrew University of Jerusalem, Israel Institute of Technology, University Haifa, and the Weizmann Institute of Science.

¹⁴ News release, Tel Aviv University, [May, 27, 2014](#).

¹⁵ News release, Renmin University of China, Haidian, [Oct. 7, 2016](#).

¹⁶ See, “[Paving the Way for Israeli Firms Entering the Chinese Market Providing Professional Services and Facilities](#),” China-Israel Changzhou Innovation Park.

¹⁷ See, for example, *The Jerusalem Post*, [Mar. 26, 2017](#).

¹⁸ *The Sun Sentinel* (Fort Lauderdale), [Jan. 29, 2019](#).

Ashdod for approximately \$900 million in June of 2014¹⁹—China’s largest overseas port construction project. In July 2012, Israel and China signed a memorandum of understanding for the construction of a 112-mile railway from Nahal Tzin to Eilat,²⁰ and three years later, the Chinese Railway Tunnel Group together with Israeli company Sole Boneh won an \$800 million contract to build the tunnels and underground stations in the first line of Tel Aviv’s light-rail system.²¹

As a developing state, China still prioritizes agricultural development and is keen to borrow advanced technology from Israel. Many local governments cooperate with Israeli agricultural companies and institutes, and a number of Chinese-Israeli agricultural showcases have been established.²² The China-Israel Agricultural Showcase site in Xinjiang, the first and largest of its kind, was built in 2009, followed four years later by the China-Israel Agricultural Showcase Farm in the Fujian province.²³ In November 2014, Shouguang city was chosen by the agriculture ministry as the China-Israel Water Technology Showcase City. In 2015, the Modern Israel Agricultural Cooperation Base was officially launched in Ningxia Province,²⁴ and in 2018 the first China-Israel Ministerial Conference



China prioritizes agricultural development and is eager to borrow advanced technology from Israel. One example is an experimental project in Ningxia Province, which focuses on Israeli drip irrigation equipment and technologies.

on Cooperation in Agricultural Innovation was held in Nanjing.²⁵

Favorable Factors

There are several positive dynamics that influence China-Israel ties. First, Jews and Judaism have had a long and peaceful presence in China. Although it is not clear when Jews first arrived in China, their presence is described in Chinese historical annals from as far back as the seventh and eighth centuries. Some believe the earliest Jewish immigrants appeared during the Zhou Dynasty (1046-256 BCE) while others believe they came during the Song Dynasty (960-1279 CE). Relatively isolated Jewish communities in China developed throughout

¹⁹ Ibid., [June 23, 2014](#).

²⁰ *YNet News* (Tel Aviv), [Oct. 23, 2011](#).

²¹ *Engineering News-Record* (Troy, Mich.), [May 20, 2015](#).

²² *The Jerusalem Post*, [Aug. 4, 2019](#).

²³ News release, SCR Engineers Ltd., Netanya, [Dec. 20, 2014](#).

²⁴ *The China Daily*, [Sept. 29, 2018](#).

²⁵ “[China-Israel Ministerial Conference](#) on Cooperation in Agricultural Innovation,” Ministry of Agriculture and Rural Affairs, People’s Republic of China, Beijing, Nov. 20, 2018.

the Tang and Song dynasties (seventh to twelfth centuries) and all the way through the Qing Dynasty in the nineteenth century, most famously in the central Chinese city of Kaifeng.²⁶ In the nineteenth and early twentieth centuries, Jewish merchants started businesses in Chinese ports, particularly in major commercial centers like Shanghai and Hong Kong. In the first half of the twentieth century, thousands of Jewish refugees escaped the Russian revolution and Soviet repression by fleeing to northeastern China.²⁷ Jewish communities lived in Harbin, in northeastern China, until the Japanese invaded in the 1930s.²⁸

Shanghai was an important Jewish center during the 1930s and the 1940s. It was a major commercial hub in the Far East and had hosted a significant Jewish presence since 1850. The first wave of Jewish migration was marked by the arrival of Sephardic Jews from Baghdad and Bombay. During the 1920s and 1930s, thousands of Russian Jews immigrated to Shanghai as well. In the late 1930s, the city became an important destination providing refuge for European Jews escaping Nazi persecution. After the Japanese invaded and occupied the city in 1939, Jews were restricted to the Shanghai ghetto. At the end of the war, the city was home to approximately twenty-four thousand Jews.²⁹ After the founding of the People's Republic of China in 1949, how-



Philip N. Cohen
Shanghai was an important Jewish center during the 1930s and 1940s. Displayed above is a monument in Shanghai at the entrance to the Ohel Moishe Synagogue and Museum.

ever, the community dwindled, with most Shanghai Jews emigrating to Israel, the United States, Australia, and Hong Kong. The Chinese still remember their former Jewish neighbors, however, and the Ohel Moishe Synagogue still stands today and serves as an important museum.³⁰

Most Chinese have warm feelings for Israel. Many were impressed by former Israeli prime minister Ehud Olmert's close personal connection with China. During his official visit in January 2007, Olmert described his family's long relationship with the country.

²⁶ *The New York Times*, [Mar. 20, 2010](#).

²⁷ See for example, James Griffiths, "[Shanghai's Forgotten Jewish Past](#)," *The Atlantic*, Nov. 21, 2013.

²⁸ See, for example, "[Harbin](#)," The Museum of the Jewish People at Beit Hatfutsot, Tel Aviv.

²⁹ See for example, "[Shanghai](#)," The Museum of the Jewish People at Beit Hatfutsot, Tel Aviv; *The New York Times*, [June 19, 2012](#).

³⁰ "[Shanghai Jewish Refugees Museum](#)," [TravelChinaGuide.com](#), Beijing.

His grandfather immigrated to China from Russia in 1917 and was buried in Harbin. His parents grew up in China and moved to Israel in the 1930s. Olmert himself learned some Chinese as a child. “Chinese culture has been part of my family,” he said, “and part of my childhood memory.”³¹

A recent example of the positive relationship between China and Israel is showcased in a short film called *Thank You, Shanghai* produced by the Israeli consulate in the city in 2015. In this film, many Israelis thank Shanghai and the Chinese people for their friendship and hospitality during World War II.³² Participants hold “Thank You” signs in Chinese, Hebrew, and English. *Thank You, Shanghai* was released on the seventieth anniversary of China’s victory against Japan, and many see it as the symbol of shared Chinese and Jewish suffering during the war.

China also sees Israel both as an important partner in its international endeavors, such as the proposed creation of the Asian Infrastructure Investment Bank (AIIB),³³ and as a reliable ally against what it considers extremist Islamist tendencies in the Xinjiang province. For while China’s 20-million-strong Muslim community comprises

Chinese Acquiring Company	Acquired Israeli Company	Industry	Year
Sailing Capital	Mobileye	Intelligent vehicles	2013
Sheng Jing Group	JVP; Viola; CPI; Vintage	Venture capital	2015
High Light Capital	Rainbow Medical	Medical devices	2015
Haisco Pharmaceutical Group	Micro System Technologies	Medical devices	2015
Giant Hongkong and YF Capital	Playtika	Online Games	2016
Midea	Servotronix	AI and robotics	2017
Alibaba Innovation Ventures	Nexar	Communication apps	2018

only a small fraction of the population, the Chinese view Islamic extremism as a major threat to national security. Scores of Uighur extremists have joined terrorist organizations such as al-Qaeda and ISIS.³⁴ As a result, China fears a separatist “Islamized” movement that will lead to independence for Xinjiang. It views Israel as able to resist Islamic extremism in the Middle East and admires its endurance after several wars against Arab and Muslim foes.

Challenges Ahead

While Chinese-Israeli relations have deepened with the Belt and Road Initiative, some challenges remain. For example, focusing so much on innovation and start-ups may suggest that China’s manufacturing

³¹ *Sina News* (Beijing), [Jan. 9, 2007](#).

³² “[Thank You Shanghai](#),” Israel Ministry of Foreign Affairs, Jerusalem, Aug. 30, 2015.

³³ *Business Standard* (New Delhi/Mumbai), [Mar. 21, 2015](#); Sun Yiran, “Ya touxing, ‘yidai yilu’ yu zhongguo de guoji zhixu guan,” *Duiwai zhengce pinglun*, no.1, 2006, pp. 24-46; Wang Da and Xiang Weixing, “Ya touxing de quanqiu jinrong zhili yiyi, tiaozhan yu zhongguo de yingdui,” *Zhongguo guoji pinglun*, no. 5, 2015, pp. 71-81.

³⁴ See, for example, Joseph Hope, “[The Growing Importance of Global Islamic Extremism to China](#),” *The Strategy Bridge*, Washington D.C., June 12, 2018; Brynjar Lia, *Architect of Global Jihad: The Life of Al-Qaeda Strategist Abu Mus’ab al-Suri* (London: Hurst Publisher Ltd., 2007), pp. 247-8.

industry, long the cornerstone of Chinese employment, is on the decline. For another, Chinese investments in Israel are largely made by the state-owned enterprises and big firms with close government ties. As a highly centralized state, China's economic policy is easily susceptible to leadership changes and political turbulence.

Both Beijing and Jerusalem have had to resist interference from third parties. China seeks to strike a balance between its continued dependence on Arab oil to meet its energy demands and its need for Israel's cutting-edge technology to boost its economy. To this end, it has maintained its distance from the Arab-Israeli conflict in an attempt to develop and maintain relationships with both Israel and the Palestinians while playing a "constructive," rather than a leading role in managing and mediating the conflict.³⁵

In Beijing's view, Washington constitutes the biggest external challenge to Israeli-Chinese relations. In 2000, for example, Jerusalem succumbed to heavy U.S. pressure and cancelled the sale of the Phalcon Airborne Warning and Control System (AWACS) to China, drawing sharp condemnation from Beijing. For their part, some Israelis frown on the mushrooming relationship with Beijing. Former Mossad head Efraim Halevy, for instance, has consistently warned against Chinese involvement in the Red-Med rail project to connect the cities of Eilat and Ashdod, concerned it could trigger a crisis with the

U.S. administration³⁶ The most pressing threat to the bilateral relationship comes from Israeli discussions on whether to withdraw from the Haifa port contract, which could arguably enable Chinese companies to monitor visiting American vessels and U.S. warships. The Chinese government rejects this, arguing that the lease agreement is merely an economic contract, not a military or political contract. But against the backdrop of the U.S.-China trade war, Israel's hesitation kindles fear in Beijing.

Both Beijing and Jerusalem realize each other's growing importance in the international arena and hope to develop closer ties in the future. And although bilateral ties between China and Israel have witnessed significant progress under the Belt and Road Initiative, both states remain eager to gain a deeper understanding of each other in order to overcome any potential challenges.

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³⁵ Sun Degang, "Zhongguo zai zhongdong kaizhan woxuan waijiao de dongyin fenxi," *Zhongguo guojiao zhongwong*, no. 6, 2012, pp. 14-31.

³⁶ Naser al-Tamimi, "[The Uncertain Future of China-Israel Relations](#)," *al-Arabiya* (Dubai), Apr. 4, 2014.