



## *Chinese Debt and Its Impacts on Arab Countries*

**“Summary”**

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Summary

### ***introduction:***

*The research paper addresses the topic of Chinese debt and its impacts on Arab countries, focusing on how China uses debt as a strategic tool to enhance its economic and political influence in the region. China has significantly expanded its economic relations with Arab countries, particularly within the framework of the "Belt and Road Initiative," becoming the primary trading partner for many Arab nations. This expansion has led to a substantial increase in the volume of debt owed to China by several of these countries.*

### ***Background:***

*China has emerged as one of the largest creditors globally, providing substantial loans to developing countries, including those in the Arab region. These loans are often tied to major infrastructure projects as part of the Belt and Road Initiative, which aims to boost trade and investment between China and other countries. However, these debts raise concerns about their sustainability and their impact on the economic sovereignty of borrowing nations.*

*China and the Arab region are connected through various multilateral cooperation mechanisms, such as the China-Arab Cooperation Forum, the China-Africa Cooperation Forum, and the strategic dialogue between China and the Gulf Cooperation Council (GCC) countries. Conversely, some Arab countries participate in other multilateral mechanisms led by China outside the region, such as the Shanghai Cooperation Organization and BRICS.*

### ***Objectives of the Paper:***

*The paper aims to study the nature of China's role, particularly within the frameworks of BRICS and the Belt and Road Initiative, in the Arab region by examining the mechanisms of borrowing and economic cooperation proposed under these initiatives. It seeks to answer key research questions, such as: To what extent can these new institutions and initiatives serve as alternatives to existing international financial institutions? What are the nature, tools, and capabilities of their impacts in creating alternative dependency frameworks or opportunities for economic maneuvering for Arab countries?*

*The paper also aims to analyze the nature of Chinese debt in Arab countries, assess its economic and political impacts, and highlight the risks and opportunities it presents. It relies on the analysis of financial data related to Chinese debt in Arab countries, along with case studies of specific Arab nations facing significant debt burdens.*

## ***Findings and Recommendations:***

***1. Increase in Debt Volume:*** Many Arab countries have experienced a significant rise in their debt to China, particularly in nations such as Egypt, Sudan, Iraq, and Jordan. These debts are often tied to major infrastructure projects, such as ports, railways, and energy, with some countries at risk of falling into the "debt trap" associated with Chinese lending practices.

***2. Economic Impacts:*** While these loans help finance developmental projects, they also increase the debt burden on borrowing countries, potentially leading to future difficulties in debt repayment. Some countries may be forced to relinquish strategic assets as collateral for loans, affecting their economic sovereignty. Additionally, like other forms of debt, Chinese loans can impact social justice by reducing allocations for economic and social rights, as a significant portion of public spending is directed toward repaying debt installments and interest.

***3. Political Impacts:*** China uses debt as a tool to strengthen its political influence in the region. By providing loans, China gains greater influence over decision-making in borrowing countries, which may affect these nations' relations with other international powers.

***4. Risks and Opportunities:*** Chinese debt represents an opportunity for Arab countries to finance infrastructure projects and economic development. However, it also carries significant risks related to increasing debt burdens and the loss of economic sovereignty. Arab countries must approach these debts cautiously, enhance transparency, and negotiate better loan terms. Diversifying funding sources can also help reduce dependence on China.

***5. Relationship with International Financial Institutions:*** While China's entry into lending to Arab governments has provided an additional source of debt, it has not replaced borrowing from the West or international financial institutions. The existing "debt trap" that several Arab countries have fallen into over the decades remains intact. The study indicates a correlation between indebtedness to China and increased borrowing from other international financial institutions.

## ***Conclusion:***

*Chinese debt in Arab countries is a complex issue that requires careful analysis of its economic and political impacts. While these debts offer opportunities for development, they also pose significant risks that must be managed cautiously to safeguard the long-term interests of Arab nations. Arab countries should enhance transparency in loan agreements, diversify funding sources, and strengthen their negotiating capabilities to secure more favorable terms.*

*To download the full paper In Arabic, you can visit the following link:*

<https://is.gd/3zJ7sP>