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China's Gulf Arms Strategy — What the CM-302 Deal Tells Us

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UPSC Educator & Content Creator •

[linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)

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GS2

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The Indian Express

MAINS RELEVANCE:

GS Paper 2

GS Paper 3



INTERVIEW ANGLE

"China is deepening defence ties with Iran at the same time as selling arms to Saudi Arabia and UAE. How does Beijing manage these contradictions, and what does this mean for India's West Asia policy?"

China's decision to supply the CM-302 supersonic anti-ship missile to Iran is not an isolated transaction. It is the latest expression of a carefully constructed Gulf strategy that has positioned Beijing as the region's indispensable arms supplier, energy consumer, and diplomatic broker — all simultaneously.

Understanding this strategy matters for India, which has critical stakes in Gulf stability and has watched with growing concern as China has progressively displaced Western and Russian influence in a region India long treated as its own near-abroad.

THE CONTRADICTION CHINA HAS MADE WORK

On the surface, China's Gulf arms posture looks self-contradictory. Beijing simultaneously supplies:

Iran with anti-ship missiles (CM-302) and other weapons

Saudi Arabia with armed drones (CH-4, Caihong series), ballistic missiles (DF-3A, modified as CSS-2), and reportedly advanced systems

UAE with drones (Wing Loong II) — already used in Libya and Yemen

Kuwait and Pakistan with fighter aircraft (JF-17) and naval vessels

Iran and Saudi Arabia are adversaries. How does China supply both?

The answer is that China treats arms sales primarily as **economic and political instruments**, not as declarations of strategic alignment. Unlike the US — which embeds arms deals within alliance commitments (Article 5 guarantees, interoperability requirements, end-use monitoring) — China sells arms transactionally. No political strings. No base rights demanded. No human rights conditionality.

This makes China a uniquely attractive supplier to states that want capability without entanglement.

THE STRATEGIC LOGIC OF THE CM-302 SALE TO IRAN

From Beijing's perspective, the CM-302 sale to Iran serves multiple purposes:

Economic: Arms sales generate revenue for China's defence-industrial complex and create long-term maintenance and upgrade contracts. Iran will need Chinese technical support, spare parts, and training for decades.

Strategic leverage over Iran: A client armed with your weapons is dependent on you for upgrades, spare parts, and operational doctrine. China's long-term strategic position in the Iran relationship is strengthened.

Pressure on the US: Every capability enhancement to Iran forces the US to spend more on Gulf naval deployments, carrier strike group maintenance, and partner defence sales. This imposes costs on the US — one of Beijing's consistent objectives.

A message to the region: China can supply capability that Russia increasingly cannot (due to its own consumption in Ukraine) and that the US will not sell to states under sanctions. Beijing is demonstrating it can fill the regional arms supply vacuum.

THE SAUDI-CHINA DIMENSION

The less-discussed counterpart to the Iran deal is China's deepening relationship with **Saudi Arabia** — Iran's principal rival. Since 2017, China has:

- Helped Saudi Arabia build its **ballistic missile programme** (reports of CH-SS-5 Silkworm derivative production at a Saudi facility)

- Sold **CH-4 armed drones** (Chinese equivalent of Predator/Reaper)

- Signed agreements under Saudi Arabia's **Vision 2030** for technology and investment partnerships

- Replaced the US as Saudi Arabia's **largest oil customer**

The 2023 **China-brokered Iran-Saudi Arabia normalisation agreement** — in which Beijing mediated the restoration of diplomatic relations between Riyadh and Tehran — was the clearest demonstration of China's Gulf diplomatic ambition. It was a diplomatic coup that took Washington by surprise.

WHAT CHINA IS BUILDING: A FRAMEWORK OF INDISPENSABILITY

China's approach in the Gulf has three mutually reinforcing pillars:

1. Energy dependency: China is the largest customer for Gulf oil. Saudi Arabia, UAE, Iraq, and Kuwait all count China as their top or second-largest oil buyer. This creates a structural interest in Gulf stability on China's part — but also gives Gulf states a powerful economic lever over Beijing.

2. Arms sales without conditions: No democracy requirements, no human rights monitoring, no interoperability demands. Gulf states can diversify away from the US military umbrella while retaining Chinese weapons — a hedge against Washington’s inconsistency.

3. Diplomatic brokering: The Iran-Saudi normalisation deal demonstrated China can mediate between Gulf rivals. Beijing is positioning itself as the region’s preferred neutral broker — a role the US has historically played but struggled with due to its Israel commitments and Iran confrontation.

IMPLICATIONS FOR INDIA

India’s stakes in the Gulf cannot be overstated. Nine million Indians live in GCC countries; their remittances are essential to household incomes across Kerala, Tamil Nadu, UP, and Bihar. India’s crude oil imports are overwhelmingly Gulf-sourced. Any Gulf military escalation is an India economic crisis.

India’s dilemma:

- It cannot afford to antagonise Iran (Chabahar Port, energy imports during US sanctions, historic ties)

- It cannot afford to alienate Saudi Arabia, UAE, and GCC (diaspora welfare, oil, investments)

- It cannot confront China directly in the Gulf (no naval capacity for power projection in the western Indian Ocean yet)

India’s approach has been **strategic ambiguity and bilateral engagement** — maintaining relations with all Gulf parties, offering diplomatic spaces but not military commitments. This has worked while the Gulf retained a broadly US-led security framework.

The question China’s growing Gulf presence raises for New Delhi is whether this framework remains viable. As Beijing becomes the Gulf’s dominant arms supplier and diplomatic broker, India — which has no equivalent capability or diplomatic infrastructure in the region — risks becoming a bystander in a region it cannot afford to be peripheral to.

This is one reason India has invested in the **India-Middle East-Europe Economic Corridor (IMEC)**, the **Quad’s Indian Ocean strategy**, and the **I2U2 grouping** (India, Israel, UAE, US). These are attempts to build a parallel framework of influence before China’s becomes the default architecture.

The CM-302 sale to Iran is a small transaction. But it is part of a large strategic design that India needs to take seriously.

UPSC RELEVANCE

CM-302, CAATSA, IMEC, I2U2, CH-4 drone, Wing Loong II, JF-17, Fifth Fleet, Chabahar, Abraham Accords.

MAINS GS-2:

China's West Asia strategy; India's Gulf policy; arms trade and geopolitics; India-Iran-GCC triangle.

INTERVIEW:

“Can India build strategic depth in West Asia to counter China's growing influence?”

★ FACTS CORNER — KNOWLEDGE PEDIA
CHINA'S GULF ARMS CLIENTS:

Iran: CM-302 anti-ship missile (latest), Noor missile technology transfer (earlier)

Saudi Arabia: CH-4 drones, ballistic missile technology transfer (DF-3A derivative), Vision 2030 tech partnerships

UAE: Wing Loong II armed drones (used in Libya and Yemen)

Pakistan: JF-17 Thunder (jointly developed HAL-CAC), Type-054AP frigates, HQ-9 air defence

CHINA-SAUDI ARABIA:

China is Saudi Arabia's **largest oil customer** (~25% of Saudi oil exports to China)

China-Iran-Saudi normalisation (March 2023): Beijing mediated restoration of diplomatic relations — a major diplomatic coup

INDIA'S GULF GROUPINGS:

I2U2 (2021): India, Israel, UAE, United States — food, water, energy, transport connectivity

IMEC: India-Middle East-Europe Economic Corridor (announced G20, Sept 2023)

Quad: India, US, Australia, Japan — primarily Indo-Pacific focus

INDIA-IRAN RELATIONS:

Chabahar Port: India-developed Iranian port; gateway to Afghanistan and Central Asia

India imports Iranian oil despite US sanctions (paid in rupees during 2019-20 sanctions period)

India-Iran ties predate Islamic Revolution (1979)

KEY ARMS TREATIES/MECHANISMS:

CAATSA (2017): US secondary sanctions for arms deals with Russia, Iran, North Korea

Wassenaar Arrangement: Export controls on conventional arms and dual-use technologies; China is not a member

MTCR (Missile Technology Control Regime): Limits ballistic missile technology exports; China participates but has repeatedly been accused of violations

OTHER RELEVANT FACTS:

China is **world's 4th-5th largest arms exporter** (SIPRI data); growing rapidly in Middle East and Africa

Wing Loong II: China's answer to US Predator/Reaper drone; purchased by UAE, Saudi Arabia, Egypt, Nigeria

CH-4 (Caihong-4): Chinese armed UAV; cheaper than US Reaper; no ITAR restrictions; purchased by Iraq, Jordan, Saudi Arabia

India's naval ambition: INS Vikrant (IAC-1) commissioned 2022; IOR presence growing; no western Indian Ocean power projection yet

Sources: Indian Express, The Hindu, SIPRI

CURATED & WRITTEN BY

Bharat Choudhary

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 [linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)

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