

# The unspoken target of Trump's war on Iran—China

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As the criminal US-Israeli war of aggression on Iran enters its fifth week and the Trump administration is poised to dramatically escalate the conflict, its global dimensions are coming into sharper relief. While the immediate aim is the subordination of Iran and the Middle East to US imperialist interests, the war is viewed in Washington as essential preparation for conflict with China, regarded as the chief threat to US global domination.

The war has already had a major impact on the Chinese economy, not only through the closure of the Strait of Hormuz, but also by undermining its efforts to strengthen diplomatic and strategic ties with Iran and the broader region over the past decade. As well as being a significant source of oil and gas for China, Iran is strategically placed on the crossroads between Europe and Asia and thus for Beijing's key Belt and Road Initiative, which aims to forge infrastructure links across the Eurasian landmass.

Like many countries in Asia and internationally, China has been hit by soaring global energy costs. By the end of 2025, China was importing around 1.4 million barrels a day of oil from Iran, which represented roughly 13 percent of its total imports. The hardest hit have been China's so-called "teapot" refineries—small private operations that specialised in processing sanctioned oil at a discount—from Iran and also Venezuela.

The Trump administration's decision to attack both Venezuela and Iran in rapid succession was not accidental. Both countries were heavily dependent on China as a means of circumventing the sanctions regime imposed, for the most part, unilaterally by US imperialism. China accounted for between 80-90 percent of Iran's oil exports in recent years. Having secured control of Venezuelan oil in the wake of the illegal kidnapping of the country's president, the US aims to do the same with Iranian oil.

Amid considerable speculation in the Western media as to the impact of the Iran war on China, several commentators have noted that the country is better placed than many to weather the economic storm. Writing in the *Financial Times* on Sunday, British economist Tej Parikh declared that China was "well positioned to turn the conflict into an advantage in the race for global economic supremacy." He pointed to China's huge oil stockpile, access to Russian oil, rapid expansion of renewable energy and extensive electrification, including of vehicles.

China boosted its oil imports in the first two months of the year by 16 percent, bringing its strategic reserve to around 1.3-1.4 billion barrels, equivalent to roughly four months of imports. About 20 percent of Chinese oil imports come from Russia, making it less dependent on Persian Gulf supplies than many Asian countries. Nevertheless, prior to the war, China sourced approximately half of its oil imports and 30 percent of its LNG from Gulf suppliers including Saudi Arabia, Iraq, the UAE and Qatar. Although Beijing is reportedly negotiating the passage of Chinese-flagged ships through the Strait of Hormuz with Iran, few have passed through so far.

As with the rest of the world, the war's economic impact on China

depends heavily on when and how it ends, as well as on the broader damage and disruption to the regional and international economy.

According to a report entitled "What the War on Iran means for China," published this month by the European think tank Bruegel, "Standard modelling of China's sensitivity to oil prices points to a 0.5 percent GDP reduction for a 25 percent increase in oil prices." China's latest five-year plan, announced in early March as the US-Israeli bombardment of Iran began, forecasts growth of between 4.5 to 5.0 percent for this year—the lowest since 1991. That growth rate, however, depends heavily on exports, which will suffer if the war is protracted and global markets slump. The economy has been hit hard by the collapse of the Chinese property market and declining consumer spending.

## China's Middle East strategy undermined

Over the past decade, Beijing has forged close ties with Iran that have evolved into a comprehensive strategic partnership. Chinese President Xi Jinping visited Iran in 2016 in the wake of the signing of the Joint Comprehensive Plan of Action (JCPOA)—an international deal providing sanctions relief for Iran in return for limits on its nuclear activities. The two sides agreed to expand bilateral trade to \$600 billion over 10 years and signed agreements including on transport, ports and energy, tying Iran into Xi's ambitious Belt and Road Initiative (BRI).

Iran's dependence on China was exacerbated after Trump, during his first term in office, unilaterally withdrew from the JCPOA. In 2021, relations were formalised in a comprehensive strategic partnership which reportedly envisaged \$400 billion in Chinese investment in Iran over 25 years in exchange for discounted oil supplies. Much of the investment was to be directed to energy but tens of billions were allocated to rail, ports and telecommunications to transform Iran into the Middle Eastern BRI hub, connecting China to Europe and Africa.

At the same time, Iran was integrated more closely into Chinese-backed groupings viewed as a counter to the US and its allies. In 2023, Iran became a full member of the Shanghai Cooperation Organisation, which was originally formed by China and Russia in 2001 to counter US influence in Central Asia. In 2014, Iran was admitted as a member of BRICS+ as part of the expansion of the economic group comprising Brazil, Russia, India, China and South Africa.

One aspect of the BRICS+ discussions has been a search for alternatives to the domination of the US dollar in world trade and finance. The punitive economic measures levelled by the US and its allies in 2022 against Russia over the war in Ukraine, including its exclusion from the international SWIFT system for payment settlements and freezing of Russian sovereign assets, sent shockwaves around the world.

Since April 2025, Chinese purchases of Iranian oil have been

denominated in yuan, circumventing the SWIFT system and challenging the so-called petro-dollar system that denominated energy payments in US dollars. Amid press reports that Iran is allowing ships to pass through the Strait of Hormuz if oil payments are made in yuan, Deutsche Bank analyst Mallika Sachdeva speculated last week: “The conflict could be the catalyst for erosion in petrodollar dominance and the beginnings of the petroyuan.” However, while China has sought to promote the use of yuan in international trade, the Chinese currency is hampered by China’s capital controls and still only accounts for about 2 percent of world trade.

While Iran has been central to its moves in the Middle East, China has sought to strengthen its ties more broadly throughout the region. In March 2023, in a deal brokered by China, Iran and Saudi Arabia—bitter rivals throughout the Middle East—agreed to re-establish diplomatic relations ruptured in 2016 and ease mutual tensions. The agreement, which effectively sidelined the US, set off alarm bells in Washington as it signalled China’s growing influence in the region.

The easing of tensions between Iran and Saudi Arabia helped consolidate China’s expansion of ties with Arab countries in the Middle East. Two-way trade expanded rapidly from \$36 billion in 2010 to \$400 billion in 2024 and diversified from a focus on oil and gas into technology related to AI and 5G systems, as well as renewable energy. Chinese foreign direct investment has also expanded, particularly related to BRI infrastructure. In 2024, the Middle East was the largest recipient of BRI investments, with projects and construction contracts totalling around \$39 billion, including \$18.9 billion in Saudi Arabia, \$9 billion in Iraq and \$3.1 billion in the UAE.

Beijing has forged “comprehensive strategic partnerships” with Saudi Arabia and the UAE, while deepening ties with Egypt and the Gulf States. China has also begun selling arms to other Middle Eastern countries in addition to Iran, including military drones to Saudi Arabia, UAE, Egypt, Iraq and Jordan.

The all-out US-Israeli war on Iran has now ruptured relations between Iran and its Arab neighbours, especially Saudi Arabia, and dealt a significant blow to Chinese diplomacy in the Middle East. In the face of the massive bombardment of its civilian and military infrastructure, Iran has been driven to retaliate against the Gulf States where the US military is based and from where it has launched strikes.

### China’s response to the Iran war

Beijing’s response to the brazen, illegal US war on Iran has also called into question the value to governments of its comprehensive strategic partnerships, not only in the Middle East but more broadly. These partnerships have never been formal military alliances committing China to come to the aid of its partners in time of war. It has no mutual defence treaty with Iran, no permanent bases inside the country, and has not provided Iran with advanced weaponry.

The Chinese government has criticised the attacks on Iran as a fundamental breach of international law, but has taken few if any steps to provide Tehran with political or material support. The Chinese foreign ministry described the killing of Iran’s supreme leader Ali Khamenei as “a grave violation of Iran’s sovereignty and security,” and Foreign Minister Wang Yi declared the attacks to be “unacceptable.” China and Russia convened an emergency UN Security Council session in New York on February 28 citing the US and Israel’s “unprovoked and reckless act of military aggression.”

At the same time, however, Russia and China abstained on a blatantly biased UN Security Council resolution condemning “in the strongest terms” Iran’s retaliatory strikes on the Gulf states, while saying nothing

about the ongoing American and Israeli aggression that had provoked the Iranian retaliation. By abstaining rather than using their veto powers, the two countries allowed the resolution to be carried.

Moreover, while criticising US attacks on Iran, Chinese foreign minister Wang has made clear that China was not going to allow the war to cut across Trump’s planned trip to Beijing, now delayed until May at the US president’s request due to the war. Speaking to the media on March 8 during China’s annual meeting of the National People’s Congress, Wang made no suggestion that the trip would not go ahead. While saying that the war “should never have happened,” he declared that 2026 was going to be a “big year for China-US relations.”

Beijing’s diplomatic overtures to Washington, however, will not halt the drive by the Trump administration to further isolate China and damage its economic and strategic position in the Middle East. While the full economic and political impact on China of the war on Iran is yet to be determined, it represents one front in a far wider global conflict being waged by US imperialism to arrest its historic decline and shore up its global dominance. A second front is in Europe with the US-NATO war on Russia in Ukraine. Meanwhile, Trump is already waging an economic war through tariffs and export bans on China.

There are no real differences with this agenda within the Washington political establishment. For more than a decade, beginning with President Obama’s “pivot to Asia,” successive administrations have carried out a comprehensive campaign to isolate China diplomatically, undermine it economically and prepare for a war against China that can only result in catastrophic consequences for humanity. The reckless, illegal and barbaric war that the Trump administration has unleashed on Iran is an expression of the deep crisis of US imperialism and the sharpest warning that it will stop at nothing to achieve its ends.

The sole social force capable of halting this plunge into world war is the international working class. What is necessary is the political fight for a unified anti-war movement of workers in the Middle East and around the world, including in China and the US, based on socialist principles, aimed at abolishing capitalism and its outmoded nation-state system that is the source of war.



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