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Holding China Accountable for Iran

Operation Epic Fury has significantly degraded Iran’s military capabilities, but the gains will not hold if China is permitted to rebuild them. Beijing has been one of Iran’s most consequential external backers—supplying Tehran with missile propellants, surveillance systems, air defense technologies, and economic lifelines that allowed it to reconstitute its arsenal after the 12-Day War. As President Donald Trump prepares to meet President Xi Jinping in Beijing on May 14–15, the summit presents a critical test: Washington must make clear that Beijing’s ambitions for a stable economic relationship with the United States will remain unrealized so long as it continues arming and financing Iranian aggression.

Chinese Assistance in the Lead-Up to Operation Epic Fury

Iran did not develop its destabilizing capabilities—and the defensive shield protecting them—alone. In the past several years, Beijing substantially increased the threat posed by Iran to the United States and its partners, while also bolstering Iran’s ability to counter attacks. In particular, China [provided](#) Iran with dual-use items for ballistic missile production; intelligence, surveillance, and reconnaissance (ISR) capabilities; and air defense systems. Beijing also helped Iran rebuild military capabilities damaged or destroyed in Israel’s October 2024 campaign and the 12-Day War—ensuring that Tehran would remain a threat that could keep the United States tied down in the Middle East. Following each campaign, China [sent](#) Iran sufficient sodium perchlorate, a key chemical precursor for missile fuel, for [hundreds of missiles](#), facilitating Iran’s rapid reconstitution of its missile program after sustaining significant damage. Beijing’s support to Iran raised the urgency of U.S. action to take out Iranian military capabilities, while amplifying Iran’s ability to inflict severe damage across the region in the event of U.S. strikes.

During the U.S. force build up in the Middle East preceding the launch of Operation Epic Fury, China kept its foot on the pedal, moving ISR capabilities to the Middle East and working to bolster Iran’s offensive capabilities. At the end of February, Beijing was reportedly [sending](#) offensive drones to Tehran and [was close to finalizing](#) an agreement to sell its CM-302 supersonic missiles, which could [improve](#) Iran’s strike capabilities. As the United States increased its force posture in the Middle East, China [deployed](#) vessels to the region capable of tracking the U.S. fleet and supplying targeting data for Iranian operations. Concurrently, Chinese companies [published satellite images](#) of U.S. assets in the region—signaling that Beijing closely monitors U.S. activity and could share the intelligence it gathers. China also [participated](#) in the “Maritime Security Belt” exercise with Iran and Russia in late February, enabling a common operating picture, as Russian and Chinese naval vessels with advanced sensing capabilities operated alongside Iran.

Chinese Military Support Bolstered Iran During Operation Epic Fury

During the war, Chinese support to Iran maintained momentum, as Beijing sent Tehran assistance to increase its ability to launch drone and missile strikes on U.S. assets, partners, and allies across the Middle East. Reporting from [The Wall Street Journal](#) suggests that Chinese companies continued sales of dual-use UAV components to Iran during the war—facilitating Tehran’s proliferation of weapons that, as [JINSA](#)

[noted in *The Eroding Shield*](#), have a higher rate of successful hits than anything else in the Iranian arsenal. With Beijing's approval, two ships that may be carrying sodium perchlorate, a key precursor for missile fuel, [departed](#) a Chinese chemical storage port and headed to Iran just one week into the war. If China indeed sent Iran sodium perchlorate in early March, this would suggest that Beijing is intent on once again helping Tehran build up its ballistic missile stockpile, increasing Iran's ability to wreak havoc in the region and setting back the progress achieved in Operation Epic Fury against Iran's missile program. On April 21, President Trump [noted](#) that the U.S. military interdicted a vessel "that had some things on it that wasn't very nice. A gift from China perhaps." Although the contents of the ship have not yet been reported, the assistance from China to Iran highlights Beijing's willingness to assist Tehran militarily, not only leading up to and following a conflict, but also during active hostilities with the United States.

Pre-positioned Chinese ISR assets may have also played a key role in Iranian operations. Though the full impact of Beijing's assistance is not yet clear, reports have begun to emerge linking Chinese capabilities sent to Tehran over the last few years to Iran's recent barrage of attacks across the Middle East, including the [TEE-01B satellite](#), transferred to the Islamic Revolutionary Guard Corps (IRGC) in late 2024, that surveilled U.S. military sites struck by Iran during the current war. The Pentagon also [reported](#) last December that commercial satellite companies based in China have reached deals with the IRGC, suggesting that Chinese satellites currently overlooking the region and [tracking](#) U.S. military positions may be directly assisting Iran's ability to strike U.S. assets.

As the U.S. military conducted strikes on thousands of targets in Iran, China may have provided assistance to Iran to build a defensive shield around its military capabilities—in addition to the ISR capabilities it had previously positioned in the region. According to reporting from [CNN](#) and [The New York Times](#), Beijing may have transferred man-portable air defense systems (MANPADS) to Tehran, similar to the [air defenses](#) Iran used to shoot down an American F-15 aircraft and its crew in March. These low-fired missile defense systems would bolster Iran's ability to target [low-flying](#) aircraft and drones. Defense Intelligence Agency analysts also [found](#) that China considered sending Iran X-band radar systems, which, if realized, would improve Iran's targeting capability and guide its air defenses—increasing the cost of operations to eliminate threatening Iranian programs.

Chinese Economic and Diplomatic Support Sustains the Iranian War Machine

China's economic support for Iran extends well beyond arms transfers. Beijing has constructed an elaborate architecture to help Tehran evade U.S. sanctions and fund its military programs. China purchases roughly [90 percent](#) of Iran's crude oil exports—representing about [13 percent](#) of China's total imports, which it receives at a heavily discounted rate—making it responsible for an estimated [45 percent](#) of Iran's total government budget.

To obscure these purchases, Chinese buyers rely on a network of front companies, falsified origin documents, and shadow fleet tankers that [misrepresent Iranian crude](#) as originating from Malaysia or Indonesia, while small provincial "teapot" refineries in Shandong Province [process the oil outside the dollar-based](#) financial system. Chinese banks then [launder the proceeds](#), converting renminbi payments into dollar-denominated assets that Iran uses to finance the IRGC, Hezbollah, Hamas, and the Houthis. Beijing has actively encouraged this practice by instructing Chinese companies to [disregard](#) U.S. sanctions on Iranian oil. Beyond oil, Chinese companies have facilitated Iran's evasion of U.S. export controls, smuggling [drone components](#) and other [dual-use goods](#) to Iranian defense programs. Over [360 China and Hong Kong-based entities](#) have been sanctioned by the United States for Iran-related activity.

Diplomatically, China has sought to provide Iran with a relatively easy way out of the war through a dual-tracked strategy: Beijing has proposed a diplomatic outcome that would not inhibit Tehran's ability to threaten the region, while undermining potentially effective international efforts to deter Iranian

aggression and restore access to the Strait of Hormuz. On May 6, Chinese Foreign Minister Wang Yi [hosted](#) his Iranian counterpart Abbas Araghchi in Beijing, as China sought to signal its [position as a critical mediator](#) of the conflict. One week later, Iranian Ambassador to China Rahmani Fazli [conveyed](#) Tehran's support of the Chinese premier's [four-point plan](#) to facilitate peace and stability in the Gulf. This plan includes committing to the principles of "peaceful co-existence," "national sovereignty," and "international rule of law," as well as "a balanced approach to development and security." It glaringly omits any restrictions on Iranian military capabilities, including its nuclear program, and fails to provide a path to restore freedom of navigation through the Strait of Hormuz—or even mention the key waterway that Iran has held hostage. The failure of the Chinese proposal to meaningfully address Iranian aggression underscores a central tension in Beijing's role in the Gulf: it has tried to position itself as a regional force for stability while providing pathways for Iran to undermine peace and security in the Middle East.

At the same time, China has repeatedly opposed Gulf-backed resolutions at the U.N. Security Council that would enable a unified response to the Iranian threat to the Strait of Hormuz. In early April, China and Russia both [vetoed](#) a U.N. resolution drafted by Bahrain urging defensive cooperation to protect shipping through the Strait of Hormuz and calling for an end to Iranian attacks on shipping, even after its scope was [reduced](#). Last week, both states [strongly opposed](#) a [resolution](#) proposed by the United States and Gulf states that called on Iran to end its attacks on vessels and the imposition of tolls; share the locations of mines in the strait; and "immediately participate in and enable" a U.N. humanitarian corridor, with an authorization for the use of force should Iran fail to comply. Faced with pushback from two states on the Security Council, the U.S. team was forced to [water down](#) the resolution—and even now, it will [likely fail to pass](#) in the face of stubborn Chinese and Russian opposition to any slap on the wrist for Tehran.

Policy Recommendations

Since the outbreak of operations against Iran, the Trump administration has taken initial steps to hold China accountable, sanctioning Chinese firms [facilitating Iranian oil sales](#) that provide financial support to Iran's war effort. President Trump has also indicated he reached an [understanding](#) with Xi Jinping on China's support for Iran. These are necessary but insufficient steps. China has responded by [pledging to protect](#) sanctioned firms and instructing Chinese companies to disregard U.S. restrictions on Iranian oil—making clear that a stronger and more systematic approach is required.

I. Call for Concrete Commitments at the Summit

The Trump administration should arrive in Beijing with specific, verifiable demands—rather than a general appeal for Chinese restraint. At minimum, Washington should press Xi to halt shipments of missile propellant precursors, dual-use UAV and missile components, and offensive and defensive weapons systems to Iran; and end Chinese obstruction of U.N. resolutions aimed at restoring freedom of navigation through the Strait of Hormuz. Broad assurances of Chinese neutrality are insufficient—and have failed to obscure Beijing's continued policy of assistance to Iran. So long as China enables the very power targeting U.S. forces, partners, and allies, it should not expect its pursuit of deepened economic ties with the United States to bear any fruit. The administration should make clear that any trade framework emerging from the summit will be contingent on measurable changes in Chinese behavior toward Iran.

II. Maintain and Expand Sanctions as Leverage

The United States should maintain existing sanctions on Iran and resist offering Beijing economic concessions in exchange for nominal cooperation. The Trump administration has already publicly linked Chinese oil purchases to Iranian terror financing; it should follow through by designating additional financial entities, shipping companies, and firms implicated in transferring missile components, propellant precursors, or dual-use drone technology to Tehran. Beijing's recent [pledge](#) to protect Chinese firms sanctioned for enabling Iran's military operations makes clear it has no intention of curtailing this behavior voluntarily.

Washington should make explicit that it will continue enforcing Iran-related sanctions regardless of Chinese objections, and that firms shielded by Beijing from compliance will face secondary sanctions—raising the cost of obstruction for Chinese financial institutions with meaningful exposure to the U.S. financial system.

III. Continue the Blockade, Force Sanctions Compliance

The U.S. naval blockade of Iran presents a concrete opportunity to close the gap between sanctions on paper and enforcement in practice. Beijing has instructed Chinese firms to disregard U.S. restrictions and continue their shipments to and from Tehran. Secondary sanctions are a positive step toward greater enforcement, but cannot fully compensate alone for that obstruction. The U.S. Navy must continue the blockade on Iran to interdict vessels carrying sanctioned items. Such a move would impose real costs on Chinese firms that choose to defy U.S. sanctions under Beijing's protection, demonstrate that Washington's enforcement mechanisms extend beyond financial designation, and put Beijing on notice that its decision to shield sanctioned entities carries tangible consequences.

IV. Build a Regional Coalition to Pressure Beijing

While pressing Beijing directly, Washington should leverage Gulf outrage at Iranian attacks to construct a unified regional position toward China—and do so quickly. A weakened Iran removes the primary threat that has held Gulf hedging in check and bound Gulf capitals to a U.S.-led security architecture. Without sustained American engagement, Gulf states may accelerate their pursuit of strategic autonomy by deepening economic and security ties with Beijing, even as China continues to enable Iran's reconstruction. The window to convert wartime alignment into durable pressure on China is narrow. With the memory of Iranian missiles raining down on their capitals and key infrastructure fresh, Washington should press Gulf states to penalize China for enabling the very capabilities that threaten them—emphasizing Beijing's overt willingness to continue supporting Iran's missile and drone programs. In particular, the administration should urge Gulf partners to condition further Chinese investment and infrastructure deals on a halt to Chinese military assistance to Iran, making explicit the contradiction Beijing has exploited for years. A coordinated U.S.-Gulf posture would substantially raise the diplomatic and economic cost of continued Chinese support for Tehran—but only if Washington acts before Gulf capitals recalibrate their strategic equilibria.