To Stop Iran's Rearmament, Trump Must Confront Russia and China

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At the Asia-Pacific Economic Cooperation (APEC) summit in Shenzhen, China, on November 18–19, President Donald Trump expects to meet with Chinese President Xi Jinping and Russian President Vladimir Putin on the summit's sidelines to discuss getting their assistance in ending the war in Iran, while their two countries are helping sustain Tehran's war effort. Yet, while the Trump administration has intensified military and economic pressure on Iran, it has simultaneously granted sanctions relief to Russia and refrained from targeting major Chinese financial institutions facilitating Iran's illicit oil trade.

This contradictory approach risks leaving intact the foreign networks that could finance and rebuild Iran's postwar rearmament in the event of an accord, as Chinese supplies helped Iran rebuild after the June 2025 12-Day War. Washington must confront the countries enabling Iran's military recovery, and Shenzhen offers the perfect setting to do so.

Pressure on Iran, Relief for Its Backers

Since the United States and Israel launched Operations Epic Fury and Roaring Lion against Iran on February 28, the Trump administration has executed successive campaigns against Tehran's revenue streams, procurement networks, and smuggling routes. The U.S. naval blockade, first implemented on April 13 and reimposed on July 14, has prevented, according to U.S. Central Command (CENTCOM), Iran from earning more than $25 billion in crude oil revenue. The Treasury Department's Operation Economic Fury, launched in April, targeted the financing infrastructure providing the basis for Iran's trade and shadow-banking networks. In August, Operation Economic Outcast, or Economic "D-Day," extended pressure on Tehran's foreign financial enablers through sanctions and warning of secondary sanctions measures. The most recent initiative, CENTCOM's Task Force Iron Gate, coordinates efforts against illicit shipments and revenue flows across Iran's land borders and the Caspian Sea, routes the regime has increasingly utilized because of the U.S. blockade.

Despite these initiatives to go after Iran, Washington has pursued competing policies toward the Islamic Republic's two primary foreign backers. The administration first provided sanctions waivers on Russian seaborne oil in March, a waiver which it extended twice, allowing Moscow to continue earning revenue from sanctioned oil shipments until the relief ultimately expired in June. In October, the administration authorized temporary transactions for Russian diesel until April 2027 and waived multiple provisions included in the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026. The White House justified the Graham Act waivers by saying enforcing the sanctions provisions "would impede ongoing US efforts to negotiate a durable and comprehensive peace agreement between Ukraine and Russia."

Washington has equally shied away from imposing its most consequential financial penalties on China. While the Treasury has imposed sanctions on China's independent "teapot" oil refineries, Hong Kong-based intermediaries, and procurement companies enabling Iranian trade, it has stopped short of targeting the broader Chinese financial networks that facilitate Iranian oil payments and move the proceeds into the international financial system. When Xi visited Trump in September at the White House, the two extended their trade truce but reached no agreement on Chinese support for Tehran. The administration

appears, therefore, reluctant to make any move jeopardizing U.S.-China economic relations even as it attempts to sever Iran's foreign financial lifelines.

Russia's Role in Arming Iran

Russia serves as one of Iran's most consequential military and intelligence suppliers, helping Tehran lead operations against U.S. forces and regional partners. Since March, Moscow has, according to open-source reporting, provided upgraded Geran-2 attack drones, explosives, satellite imagery, and targeting intelligence that bolstered Iranian capabilities during the war. Reports also indicate that Russia is assisting Iran in developing advanced cruise missiles, which would strengthen Tehran's ability to penetrate regional air defenses. Russia is equally aiding Iran's strategy of using its proxy network to open a two-front war, as Moscow is reportedly sharing intelligence with the Houthis to carry out attacks on Red Sea shipping.

Russia's assistance could become even more consequential after a cessation of hostilities. According to *The Telegraph*, Iran's Supreme National Security Council Secretary, Mohsen Rezaei, delivered a November 5 letter from Supreme Leader Mojtaba Khamenei requesting Russian S-400 air defense systems. Tehran has also pursued Russia's 4.5-generation Su-35 fighters and will reportedly receive them following the war's conclusion. A prewar Iranian parliamentary memorandum also obtained by *The Telegraph* outlined plans to deepen cooperation with Moscow on missiles, drones, and air defenses, suggesting that Tehran views foreign military assistance, especially that from Russia, as a central pillar of its long-term survival. Of course, Russia's war in Ukraine limits what weaponry it can spare to its Iranian partner, but even selective transfers of air defense components and drone technology would raise the cost of future U.S. or Israeli strikes on Iran's nuclear and missile facilities.

China's Role in Financing Iran's Recovery

China has been more cautious than Russia about transferring complete weapons systems during the ongoing war, but it has played perhaps the largest role in financing Iran's reconstruction through oil purchases and providing critical components for weapons systems to operate. According to prewar statistics, Beijing bought about 90 percent of Iran's crude oil exports through independent teapot refineries, making it responsible for an estimated 45 percent of Iran's total government budget. Iran's reliance on China has continued during the war, with Kpler data identifying Beijing as the only purchaser of Iranian crude in October. On the weapons front, Chinese firms have supplied Iran with the crucial missile propellant precursor sodium perchlorate, as well as dual-use drone components. The full extent of direct Chinese military assistance during the current war remains uncertain, but the presence of these procurement networks could again accelerate Tehran's rearmament should hostilities end.

Iran is reportedly constructing more durable infrastructure in China aimed at circumventing U.S. sanctions. According to a recent *Iran International* report, citing a leaked letter from Iran's Oil Ministry, Iran now controls a terminal in the Ningbo-Zhoushan free trade zone, holds stakes in docks in Shandong province, and owns seven storage tanks in Dalian, Huizhou, Dongying, Weifang, and Zhoushan. This infrastructure allows tankers in the fleet of Hossein Shamkhani, son of the late Khamenei adviser Ali Shamkhani, 51 of whose vessels the Treasury has sanctioned, to unload near refinery pipelines and allows Iran to store its crude in China before securing buyers, which mitigates the impact of existing Treasury designations and suggests that Iran is building sanctions-resistant oil facilities in China with Beijing's tacit approval or acquiescence.

The Precedent of the 12-Day War

Iran's recovery in the wake of previous U.S. and Israeli air campaigns against it is a case in point as to why battlefield success alone cannot guarantee lasting strategic gains. Israel's October 2024 strikes on Iran reportedly decreased Tehran's capacity to produce solid fuel for ballistic missiles by approximately 93 percent, from enough for 14 missiles per week to just one. Eight months later, operations during the 12-Day War destroyed additional missile production facilities, launchers, and stockpiles, again reducing Iran's operational arsenal. Nevertheless, Tehran began restoring its missile infrastructure with foreign assistance, including Chinese shipments of sodium perchlorate to produce hundreds of missiles.

Although Iran retained domestic technical expertise, surviving stockpiles, and some production capacity after the 12-Day War, foreign supplies helped it recover more quickly from sustained damage. An unclassified Defense Intelligence Agency assessment from April stated that, in the aftermath of the 2024 and 2025 operations, Iran "focused on rebuilding damaged infrastructure and pursuing Russia- and China-origin systems and materials to replace equipment." Iran's response to hostilities that began in February 2026 is evidence that it recovered sufficient capabilities to sustain another round of missile attacks despite the earlier losses.

Iran is already attempting to repeat this recovery. Although the Pentagon has stated publicly that strikes on Iran have destroyed up to 90 percent of Iran's drone, ballistic missile, and naval industrial base during the current campaign, satellite imagery analyzed by BBC Verify in November revealed extensive reconstruction at damaged military installations. The investigation identified excavation and construction occurring at the Garmdareh and Shahroud missile complexes, alongside repairs at at least a dozen other facilities. These activities do not necessarily mean Iran has established its former production capacity—*The Wall Street Journal* reported in September that Tehran had resumed assembling ballistic missiles in underground facilities based on stockpiled material, but production remained below prewar levels. Still, Israeli intelligence officials are surprised at how quickly Iran has replenished its missile stockpiles since the April ceasefire, according to *The Economist*.

This creates an opportunity for Washington. Iran can produce and assemble weapons from what it has stockpiled, but restrictions on foreign machinery, components, and technical assistance could significantly slow its recovery or stall it once Tehran runs through its reserves. Conversely, allowing Russian and Chinese procurement networks to operate unchecked would allow Tehran to overcome remaining production bottlenecks, replenish depleted arsenals, and potentially improve its capabilities with newer technologies. Without addressing these external sources of military assistance, U.S. and Israeli gains could gradually, or even rapidly, erode, thereby increasing the likelihood of yet another campaign against Iran.

Policy Recommendations

Washington's aim at Shenzhen should be to end Chinese and Russian support for Iran's war effort, whatever role Xi and Putin play in a final negotiated settlement. Given Iran's reliance on China to purchase its oil (whereas, prewar, China bought only about 12 percent of its oil from Iran), Beijing could easily curtail its financing of Tehran at a limited cost to itself. The same leaked documents from the aforementioned *Iran International* report reveal that, before the outbreak of hostilities in February, China refused to increase import quotas for Iranian crude and instead shifted purchases toward Venezuela and demanded greater discounts, showing that Beijing can and will pressure Tehran when its own commercial interests are involved.

Curbing that support will likely require Washington to offer Beijing and Moscow something in return, and sanctions relief would be the best bargaining chip to offer. At Shenzhen, Washington should demand verifiable commitments against Iranian rearmament, condition any sanctions relief on compliance while enforcing sanctions to the fullest extent for non-compliance, and disrupt the overlapping procurement networks sustaining the Iranian and Russian war efforts.

Call for Concrete Commitments

The U.S. delegation to the APEC summit should arrive with specific, verifiable demands for Russia and China. At minimum, Washington should press Xi to end shipments of missile propellant precursors, dual-use UAV and missile components, and offensive and defensive weapons systems to Iran. Broad assurances of Chinese neutrality—which it has repeated throughout the conflict—remain insufficient—and have failed to obscure Beijing's continued policy of assisting Iran against the United States. As long as China enables the very power targeting U.S. forces, partners, and allies, it should not expect its pursuit of deeper economic ties with the United States to bear fruit. With the U.S.-China trade truce set to expire on January 10, the Trump administration should stress that any extension depends on measurable changes in Chinese behavior toward Iran. Should Beijing verifiably halt that support, Washington should be ready to hold off on designating Chinese financial institutions, but should that support continue, Washington should follow through on those designations.

Washington should call on Moscow to cease all intelligence sharing with Tehran and to stop transferring missile and drone technology to Iranian military and paramilitary forces. Putin has already offered to trade Moscow's intelligence support for Iran in return for Washington ending support for Ukraine, indicating Russia's support for Iran is up for sale. The administration must reject any trade-offs that compromise support for Kyiv outright. Given its continuing war in Ukraine, Moscow should face a higher bar than Beijing for sanctions relief. The administration has already suspended Graham Act sanctions to advance Ukraine peace talks, yet Putin still rejects a meeting with Ukrainian President Volodymyr Zelensky except to sign a final agreement in Moscow and has more recently demanded that NATO withdraw to its 1997 borders. Washington should keep those waivers in place only if Putin ends assistance to Tehran, enters direct *negotiations* with Zelensky in a third country, and drops his demand over NATO's borders. Any relief should snap back if Moscow fails to act on those fronts.

Expand and Maintain Sanctions on Iran's Enablers

In line with Treasury Secretary Scott Bessent's pledge to go after those sustaining Iran's economy and war effort, Washington should expand its economic campaign to the fullest extent possible. In May, Beijing called on Chinese firms to ignore U.S. sanctions, meaning that voluntary compliance alone will be insufficient. The Treasury should prepare designations to impose against the Chinese banks, refineries, shipping companies, and other intermediaries demonstrably facilitating Iran transactions if Beijing does not halt its support for Tehran. In 2012, the United States sanctioned China's Bank of Kunlun for facilitating Iranian banking transactions, which demonstrated that Washington could sanction a Chinese bank over Iran without severing the broader economic relations.

Regarding Russia, the Graham Act waivers are Washington's most direct leverage, since the law requires sanctions on Russia's shadow fleet and on suppliers to the defense industry producing weapons for Iran. Absent both conditions above, the administration should rescind those waivers rather than extend relief that has failed to produce movement in Ukraine negotiations. The administration's desire to preserve negotiations over Ukraine should not come at the expense of allowing Moscow to support an American adversary.

Squeeze the Shared Supply Chains of Both Wars

The continued U.S. naval blockade of Iran presents a concrete opportunity to close the gap between sanctions on paper and enforcement in practice, especially as Iranian supply chains increasingly overlap

with Russia and China. For example, Russia's Geran drones, which it produces domestically before shipping to Iran, incorporate Chinese engine parts. Secondary sanctions are a positive step toward better enforcement of components traveling from manufacturer to end user, but they cannot alone stop Chinese and Russian firms willing to ignore U.S. sanctions. The U.S. Navy must continue the blockade to interdict seaborne shipments of sanctioned items to Iran, while Washington's new Task Force Iron Gate covers the Caspian and overland routes the blockade cannot stop.

Task Force Iron Gate should translate monitoring of Iran's land and Caspian routes into coordinated enforcement beyond just CENTCOM. By incorporating Treasury, State, and regional partners, CENTCOM can identify illicit shipments, procurement facilitators, and transit networks for sanctions, export controls, and lawful interdiction where feasible. On the partner front, Turkey, Iraq, and Pakistan have expressed concern over closing their land borders and its effect on their economies. The Treasury and Commerce departments should help identify the biggest risk areas for these countries to find alternatives that could protect their economies while decoupling them from Iran