ISMS 2018 WG: War Studies; Security, Defence Policy and Strategy

Chinese Influence through Arms Exports: Paths, Patterns, and Challenges

Michael RASKA

ABSTRACT:

China's global geopolitical aspirations, backed by growing economic clout, shape the direction and character of its military-technological choices and China's strategic interest to strengthen its position in global arms markets. Over the past decade, China has been able to accelerate its transition from a large arms importer to a major exporter, with a potential to become one of the world's leading arms exporters, by providing low cost and affordable service and upgrade packages without geopolitical strings. According to recent data by SIPRI, the Stockholm-based think-tank, Chinese exports of major arms have increased by 74 percent between 2012 and 2016, and its share of global arms exports rose from 3.8 to 6.2 percent, making it the world's third-largest supplier in the world, after the United States and Russia. The geographic spread and number of recipients of Chinese weapons exports have also increased. In 2012-16, China delivered major arms to 44 countries - more than 60 percent of China's exports went to Pakistan, Bangladesh and Myanmar and another 22 percent went to Africa. China also delivered major arms to ex-Soviet states for the first time, including the 2016 delivery of surface-to-air missile (SAM) systems HQ9 (FD-2000) to Turkmenistan. Meanwhile, China has become less dependent on arms imports, which decreased by 11 percent during 2012–16. While China was the largest importer globally by a wide margin in the early-2000s, it dropped to fourth place in 2012–16. In this context, however, China remains dependent on imports of key weapons systems and advanced components, including aerospace engines such as the Russian Al-31FN and RD-33 engines used on the J-10 and FC-1 fighters, respectively. From 2012-16, for example, aircraft engines accounted for 30 percent of China's arms imports, delivered from Russia (57 percent), Ukraine (16 percent), and France (15 percent). [1]

China's increasing presence on global arms markets inherently reflects the relative progress of the Chinese defence, science, technology, innovation, and industrial base in terms of developing, manufacturing new, relatively advanced military platforms and technologies. China has aimed to catch-up with the global military-technological state-of-the-art base by fostering indigenous innovation, mitigate foreign dependencies on technological transfers and arms imports, while leveraging civil-military integration to overcome entrenched barriers to innovation. As a result, the catalogue of Chinese-made arms offered for exports, particularly in areas such as aerospace, have made significant progress relative to the archaic offerings of the late-1990s. China introduced two fourth-generation fighters into mass production stage – the FC-1/JF-17 (developed jointly with Pakistan) and the J-10. It increased its presence on international aerospace and defence markets, promoting its new combat trainers, fifth-generation fighter (J-31), missile systems (anti-ship, anti-tank, and man-portable), SAMs (HQ-9), radars, transport aircraft (MA60, Y-20), helicopters, UAVs, new versions of the

[1] Aude Fleurant, Pieter Wezeman, Siemon Wezeman and Nan Tian, "Trends in International Arms Transfers, 2016," *SIPRI Fact Sheet*, February 2017. Available at: https://www.sipri.org/sites/default/files/Trends-in-international-arms-transfers-2016.pdf

Type 90 tank (VT-3, VT-4, VT-5), a new generation of light armoured vehicles (VN-4), self-propelled and towed artillery, multiple rocket launchers, trucks, ships (Type 053, 054A, 056), and submarines (S26T/Type 039A).

In this context, this paper argues that by narrowing the technological gaps with leading Russian and Western suppliers, China has been able to enter new markets with new generation military technologies, including Saudi Arabia, Morocco, Venezuela, Ecuador, Peru, Mexico, Nigeria, Kenya, Thailand, Indonesia, and Kazakhstan. In doing so, China's current arms export strategy reflects varying 'competitive' paths. In the developing countries of Latin America, Africa, and even Central Asia, China is trying to position itself as an alternative to Russian arms exports, while counterbalancing the influence of Western powers. Chinese defense contractors compete on price, while providing greater flexibility when negotiating the financial terms of arms contracts. At the same time, however, China is using arms exports as an instrument of its foreign policy to project power and influence to create strategic dependencies in areas that are vital to China's interests, for example in Southeast Asia. For example, China's recent major arms exports contracts with Thailand (S26T submarines) and military assistance to the Philippines may in the long-term disrupt traditional strategic linkages with the United States. In a reverse mode, countries in the region may seek Chinese defense contracts to solidify security and economic ties with China.

In East Asia, these trends accelerate regional "arms competition," characterised by incremental, often near-continuous, improvements of existing capabilities, as well as in a mix of cooperative and competitive pressures, continued purchases of advanced weapon platforms, including the introduction of new types of arms and, therefore, unprecedented military capabilities. On one hand, China's defence industrial capabilities enable the People's Liberation Army to accelerate its transformation into a fully 'informatised' fighting force – one capable of conducting sustained joint operations, military operations other than war, and missions related to China's strategic deterrence to protect China's core national security interests beyond national borders. Parallel, China has a growing capability to shape the direction and character of the arms competition – not only through its military-technological development and diffusion of its arms exports, but more importantly, through its strategic choices that influence the contours of strategic alliances and balance of power in different geographic areas. Consequently, the ongoing struggle for dominance by the region's two major powers (China and Japan); the future of the Korean Peninsula; intra-regional competition in territorial disputes in the East China Sea and South China Sea; and perhaps most importantly, the contours of long-term regional strategic competition and rivalry between China and the United States, will be inherently shaped by attendant consequences of China's defence industrial strategies and arms exports that are increasingly aligned with Beijing's geopolitical and economic aspirations.

About the Author:

Michael Raska is an Assistant Professor at the Institute of Defence and Strategic Studies, based at the S. Rajaratnam School of International Studies, Nanyang Technological University, Singapore.

For questions, comments, suggestions please contact the author: ismraska@ntu.edu.sg