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CHINA'S ARMS TRADE WITH RUSSIA: THE EMERGING NEW DYNAMICS

Pinki Roy

Research Associate, CAPS

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The strategic relationship between China and Russia is arguably one of the most important geopolitical moves of twenty first century.¹ According to Gilbert Rozman, this relationship will remain durable in coming years because it is founded on six broad shared understandings: common internal ideologies (Socialism or Communism), common mutual threat (US and NATO), promotion of nationalism along similar lines (anti western identity), suppressing domestic xenophobia towards each other, mutual belief in their superior economic model of governance, and strong support to each other's territorial claims on controversial territories (Crimea, Hong Kong, Taiwan).² However, a few scholars like Joseph S. Nye question the possibility of any such relationship developing into a formal military alliance especially since both of them do not want to bring their relationship with the West to a level of deadlock.³

President Trump's National Security Strategy (NSS) released in the month of

December 2017 refers to both China and Russia as its geopolitical rival.⁴ The NSS advances similar concerns as expressed in the Strategic Foresight Analysis report of NATO released in November 2017.⁵ US critics have questioned the wisdom of clubbing these two countries together and not drawing any lesson from Henry Kissinger's diplomacy during Cold War period. Kissinger skilfully exploited the differences between these two countries especially when relationship soured after their small military clash in 1969.⁶

States in international system have a tendency to balance power externally and internally. Since the economic weight and military might of China is so heavily tilted in its own favour in forums like SCO and BRICS, it is believed that Russia will try to balance China externally and internally in order to assert its own relevance in a China-led orbit of influence. Similarly, it is doubtful that a rising China will jeopardize its relationship with profitable West

at the cost of a declining former superpower. As of now both need each other, so they never miss an opportunity to appraise each other with glowing terms. Recently, both referred to each other as their “most trustworthy strategic partner.”⁷

In post Cold War period, while China needed weapons (including technologies) and oil for its economy and military modernisations, Russia needed new market for oil, gas and ailing arms industries. In recent years, China’s economy has boomed but Russia’s economy has dwindled especially after imposition of Western sanctions for taking over Crimea. The US led Asian Pivot in South China Sea and EU led Western sanctions against Russia after Crimean crisis have further solidified their complementary relationship.

Arms Trade Relationship

SIPRI analysis of global arms exports and imports between 2012 and 2016 ranks China as third biggest arms exporter with a global market share of 6.2 percent.⁸ Around 72 per cent of all Chinese arms exports in last five years went to just three countries - Pakistan, Bangladesh and Myanmar who share borders with India.⁹ The other two top arms exporters are US (33 percent) and Russia (23 percent).¹⁰ However, in the same period, China has been also ranked as fourth biggest arms importer with a global market share of 4.5 percent.¹¹ The top three arms importers are India (13 percent), Saudi Arabia

(8.2 percent) and UAE (4.6 percent).¹² Riding over a booming economy, China became second biggest spender on military with an allocated defence budget of US\$ 215 billion during 2015-16.¹³ In this period the US military budget stood at US \$596 billion while Russian military budget declined to \$67 billion because of sharp fall in oil prices.¹⁴

Faced with Western denial of arms and technologies, in post Cold war period Chinese military has primarily relied on arms imported from Russia and Ukraine. China has also exploited Ukraine’s poor relationship with Russia to bargain better quality arms and technologies. In fact, Ukraine was ranked as third biggest arms exporter to China in 2016.¹⁵ After the collapse of the USSR, the Cold War alliance between the US and China lost its significance.¹⁶ It paved the foundation of a new beginning of Chinese rapprochement towards Russia. In 1996, they formed their strategic partnership and since then further elevated their relationship. In fact, most of China’s present day exported arms are modernised versions of Soviet arms.¹⁷ Chinese weapons such as aircraft *Jian 11*, Surface to Air Missiles (*SAM*) and different submarines are allegedly unauthorised developed versions of Russian Sukhoi 27, S-300, and Project-877 and Project-636 Kilo class submarines through reverse engineering.¹⁸

China was Russia’s largest arms recipient during 1999-2006.¹⁹ In 2005, Russia supplied

around 60 percent of its all major weapons to China.²⁰ However, in last few years, Chinese imports of arms from Russia has declined largely because of China's self sufficiency in domestic arms procurement through support from reverse engineering, booming economy and rise of cutting edge technologies through resource pooling from around the world.²¹ The US has also consistently blamed China for stealing its military technologies.²² The effect of these developments is evident in arms market in recent years. For instance, once the local arms industries got strengthened owing to these illegal practices, China substantially dropped importing arms from Russia. In comparison to 2007, China's arms import decreased by 25 percent in 2009.²³ Similarly, there was 11 per cent decrease in arms import from Russia between 2007-11 and 2012-16.²⁴ This decline occurred because China started purchasing parts of the weapon instead the complete weapon.

The Chinese less costly weapons in global arms market are not only fast appearing to be competitive to the weapons of traditional suppliers but also allegedly helping the undemocratic repressive regimes because China does not impose strong conditions on recipient countries for its legitimate use. Now, China wants to leave its legacy of relying on stealing technologies and Russian arms, and compete with its geopolitical rival US on equal footing by developing new cutting edge technologies. It is already giving strong competition to US in field of

military drone technologies and application of artificial intelligence to military warfare strategy.²⁵

From these developments we may conclude that while in short term China is economically profitable to Russian arms industries, in long term, the possibility of China driving out Russia from its own traditional market is fairly possible because Chinese are focussed on developing their own domestic arms industries.

(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS])

Notes

¹ Emma Graham-Harrison *et al.* (2015), 'China and Russia: the World's New Superpower Axis?', *The Guardian*, Available at <https://www.theguardian.com/world/2015/jul/07/china-russia-superpower-axis> Accessed on Dec 20, 2017.

² Gilbert Rozman (2014), 'Asia for the Asians :Why Chinese-Russian Friendship is Here to Stay', Available at <https://www.foreignaffairs.com/articles/east-asia/2014-10-29/asia-asians> Accessed on Dec 5, 2017.

³ Joseph S. Nye (2017), 'A new Sino-Russian, alliance?', Available at http://www.koreatimes.co.kr/www/opinion/2017/07/19_7_172063.html Accessed on Dec 25, 2017.

⁴ White House (2017), 'National Security Strategy of the United States of America', Available at <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf> Accessed on Dec 22, 2017.

⁵ NATO (2017), 'Strategic Foresight Analysis 2017 Report', pp. 12, 22, 23, Available at http://www.act.nato.int/images/stories/media/doclibrary/171004_sfa_2017_report_hr.pdf Accessed on Dec 5, 2017.

⁶ Ray McGovern (2017), 'Russia-China Tandem Shifts Global Power', Available at <https://consortiumnews.com/2017/07/03/russia-china->

tandem-shifts-global-power/ See also South China Morning Post (2017), 'Chinese in the Russian Far East: A Geopolitical Time Bomb?', Available at

<http://www.scmp.com/week-asia/geopolitics/article/2100228/chinese-russian-far-east-geopolitical-time-bomb> Accessed on Dec 5, 2017.

⁷ Cheang Ming (2017), 'Best time in history' for China-Russia Relationship: Xi and Putin Boost Ties', Available at <https://www.cnbc.com/2017/07/04/china-russia-ties-reaffirmed-after-xi-jinping-and-vladimir-putin-meet.html> Accessed on Dec 5, 2017.

⁸ Aude Fleurant, *et al.* (2017), '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> Accessed on Dec 5, 2017, P.3.

⁹ Ron Matthews Xiaojuan Ping (2017), 'Why the World Should Fear China's Military (exports)', Available at <http://nationalinterest.org/blog/the-buzz/why-the-world-should-fear-chinas-military-exports-22494> Accessed on Dec 5, 2017.

¹⁰ See no. 8, p.3

¹¹ See no. 8, p.7.

¹² Ibid.

¹³ See n. 5, NATO (2017), p. 23.

¹⁴ See no. 5, NATO (2017) pp. 22-23.

¹⁵ Illia Ponomarenko (2017), 'China Sees Ukraine as Alternative to Russia in Arms Trade, Expert Believes', Available at <https://www.kyivpost.com/ukraine-politics/china-sees-ukraine-alternative-russia-arms-trade-expert-believes.html> Accessed on Dec 5, 2017.

¹⁶ See no. 3.

¹⁷ See no. 9.

¹⁸ See no. 9

¹⁹ Siemon T. Wezeman (2017), 'China, Russia and the Shifting Landscape of Arms Sales', Available at <https://www.sipri.org/commentary/topical-background/2017/china-russia-and-shifting-landscape-arms-sales> Accessed on Dec 15, 2017.

²⁰ Ibid.

²¹ Ibid.

²² David Inserra (2013), 'Chinese Hackers Stole U.S. Weapons System Designs', Available at <http://www.heritage.org/defense/commentary/chinese-hackers-stole-us-weapons-system-designs> See also Bill Gertz (2016), 'Report: China's Military is Growing Super Powerful by Stealing America's Defense Secrets (Like the F-35)', Available at <http://nationalinterest.org/blog/the-buzz/report-chinas-military-growing-super-powerful-by-stealing-18677> Accessed on Dec 29, 2017

²³ See no. 18.

²⁴ See 8, p. 9.

²⁵ Pinki Roy (2017), 'China's Drone Exports: Tapping a New Market', *CAPS In Focus*, Available at http://capsindia.org/files/documents/CAPS_Infocus_PR_00.1.pdf Accessed on Dec 25, 2017