Good enough: China’s military exports to the Asia-Pacific region

China has expanded its defence exports across the Asia-Pacific region in recent years and entrenched its position to meet regional requirements for ‘good enough’ military equipment. Jon Grevatt reports

The contract awarded to the China State Shipbuilding Corporation (CSSC) by the Royal Thai Navy (RTN) in September for an amphibious Type 071 (Yuzhao)-class landing platform dock (LPD) is the latest high-profile opportunity for China to expand its military sales profile in the Asia-Pacific region.

The helicopter-capable LPD is scheduled for delivery to Thailand in the early 2020s and will be used by the RTN as a multirole vessel involved in operations such as surveillance and patrol, training, and disaster relief. It will also be used to support the RTN’s new S26T (Thailand) diesel-electric submarine (SSK), which Thailand ordered from CSSC’s sister group, the China Shipbuilding Industry Corporation (CSIC), in 2017.
For Thailand the attractiveness of the LPD is based on its low cost – about USD130 million – and proven capability: the Type 071 is already being operated by the People’s Liberation Army Navy (PLAN). For China the sale is the latest marker of the country’s growing competitiveness in international markets, especially in the Asia-Pacific region.

China’s military sales to neighbours such as Thailand have grown as a proportion of the country’s global defence export profile over the past decade. Given the scope of current opportunities in the region, including around naval vessels in Thailand, China’s Asia-Pacific military sales are expected to keep growing.

**Strategy**

The strategy behind these regional sales is primarily linked with China’s aim to enhance its influence in the Asia-Pacific region, although it also reflects the growing competitiveness and confidence of Chinese defence companies in international markets.

Chinese defence exports have traditionally been seen by Beijing as a secondary priority after supplying its own military. However, during the past decade, China has intensified efforts to stamp its strategic influence across the Asia-Pacific region: a drive supported by improving defence-industrial capabilities and the emergence of products that are attractive to export customers. The result is that China is increasingly leveraging military exports to support its strategic intentions.

This is most clearly shown in South Asia: China’s most important subregional defence market.

China’s defence sales to countries such as Bangladesh, Pakistan, and Sri Lanka are seen as an important part of China’s strategy to encircle India. The strategy aims to ensure that India is so preoccupied with its neighbours that it will not have the capability, resources, or commitment to seriously challenge China’s regional power and influence.

A similar strategy is arguably behind alleged Chinese transfers of defence equipment to North Korea, which continues to be a thorn in the side of regional Chinese rivals Japan and South Korea. China’s sales of materiel to Southeast Asian countries such as Cambodia, Indonesia, Laos, Malaysia, Myanmar, and Thailand are part of a strategy to enable Beijing to more easily press its claims over regional territory, as is the case for the growing efforts to sell defence equipment to the Philippines.

**Belt and Road**
As with all good strategic policies, China’s efforts to boost its influence through defence exports cannot be viewed in isolation. It is increasingly clear that the drive is linked closely to China’s Belt and Road Initiative (BRI): a wider policy aimed at developing China’s global influence through foreign investment and infrastructure developments.

The BRI was launched by President Xi Jinping in late 2013, a few months after he assumed office. The initiative includes about 70 countries, aiming to cover up to 40% of global GDP. The BRI was initially considered an economic development strategy, although it is increasingly clear that China now sees it as a strategy that will also enhance China’s strategic power, partly supported through defence exports.

Underscoring the emerging emphasis of the BRI, senior Chinese officials are reportedly more interested in the political and military benefits of the BRI than its economic advantages, with Chinese defence officials increasingly emphasising to regional partners the defence and security advantages offered through the economic policy. In April 2018, for instance, Chinese Defence Minister Wei Fenghe told visiting Pakistan Navy officials that China was “ready to provide security guarantees” through the BRI.

It is no coincidence that Chinese maps of the BRI encompass most of the Asia-Pacific region and key Chinese defence export markets such as South Asia and Southeast Asia. In South Asia the BRI is supporting the development of ports and infrastructure that could feasibly be used by China to support its India encirclement policy, while substantial BRI investments in Southeast Asia serve to strengthen China’s soft power expansion and make any claimant to territory in the South China Sea think twice about antagonising Beijing.

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