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## **Hard Choices in Hard Times: Taiwan-Russia Defence Cooperation**

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*Recently, Taiwan unveiled a new jet fighter design with Russian technical assistance. Given Taiwan's constraints, this is not at all unanticipated. What is behind Taiwan's decision? What options are available for Taiwan to ensure its defence sovereignty in bad times?*

THE NEED for air superiority over the Taiwan Strait presents a major dilemma for Taiwan, which has been enduring an armed threat from the People's Republic of China for decades. Facing limited strategic choices, Taiwan adopted a two-tracked approach to maintain and enhance its military arsenal – buying American military hardware while indigenously developing military capabilities to maintain defence sovereignty.

Until the early 2000s, these strategies had ensured Taiwan's qualitative military superiority in the Taiwan Strait. However, this is no longer tenable since Taiwan's quest for a better jet fighter to replace the F-5 did not receive the desired response from the United States. Despite Taipei's efforts to persuade Washington to sell 66 F-16C/D Block 52s, it was only offered midlife upgrade for the F-16A/Bs.

As China's defence budget steadily increased over the years, it has become increasingly difficult for Taiwan to effectively maintain an edge over China's military capabilities.

### **Too dependent on US sources**

Since the 1996 Taiwan Strait crisis, the US lifted restrictions on the sale of sensitive military hardware to Taipei by offering 150 second-hand but refurbished F-16A/B Block 15 jet fighters. From then on, the US has become virtually the singular source of high-tech military capabilities for Taiwan's defence forces.

At the height of worsening cross-straits relations under the Chen Shui-Bian administration, US assistance was even more important. Taiwan struck a substantial yet controversial multi-billion dollar arms deal with the US, which included four decommissioned Kidd-class guided-missile destroyers,

PAC-2 Patriot anti-ballistic missile interceptors and refurbished P-3C Orion maritime patrol aircraft (MPA) to partially upgrade the ageing Taiwanese military arsenal. However, some Taiwanese politicians have been critical of the arms deal.

Firstly, they perceived the sale as a means for US arms suppliers to take advantage of Taiwan's precarious security situation and earn a tidy profit. Indeed, the costs Taiwan had to pay were disproportionate to the level of sophistication those weapons could provide.

Secondly, the US has been willing to transfer only what could be deemed 'second-rate' hardware instead of 'the best available'. The P-3C, intended to counter China's growing submarine capabilities, is considered obsolescent since it has been gradually phased out of US service. The same goes for the Patriot systems, which are not exactly the newest available in the face of increasingly sophisticated Chinese ballistic missiles.

Thirdly, the US was found to be unable to satisfy all of Taiwan's defence requirements. A notable instance has been Taiwan's quest for new diesel-electric attack submarines, which US shipbuilders were unable to construct. The US also refused to allow Taiwan to licence-produce submarines. Meanwhile, Taiwan only has two operationally-active submarines, far outnumbered by China's.

### **Indigenous Programme**

Taiwan's long-term interest to bolster its military capabilities lies in focusing more on its indigenous defence industries. To date, Taiwan's defence industries had achieved notable progress. The milestone for Taiwan's defence self-sufficiency ambitions is the Ching Kuo Indigenous Defence Fighter (IDF), 131 of which were produced for the Taiwanese air force.

More recently, Taiwan has managed to produce some high-tech hardware, such as the Cloud Leopard armoured fighting vehicle, the Kwang Hwa-series surface warships, and precision-guided missiles. Taiwan had even successfully designed its own strategic deterrent capability, the Hsiung Feng-III long-range cruise missile, which according to reports, could target China's coastal installations.

The jet fighter programme with Russian technical assistance is simply part of the grand scheme of things. For a small country like Taiwan, assistance from any established defence industries would allow it to preserve its capabilities against a militarily powerful adversary. For that matter, Taiwan's military-technological cooperation with other non-Russian countries remain plausible.

However, whether Taiwan will opt to develop another indigenous fighter remains yet to be seen. At the moment, Taiwan's military expenditure is around 3% of its GDP (equal to US\$9.498 billion in 2007). The recent defence budget, reversing the trend of decreasing budget over the last decade, suggests that Taiwan has begun to respond to China's military buildup. However, Taipei professed that it does not have enough funding to upgrade the existing F-16s and buy new F-16C/Ds, let alone build another indigenous fighter. With GDP growth of approximately 1.9% in 2008, it would be difficult for Taipei to significantly increase defence expenditure without straining the national budget.

### **The Choices**

Taiwan's case is not unique; it is a problem shared by small countries worldwide. However, Taiwan has limited options of arms suppliers due to its unique position. In addition to the technical and political expediency that hamper US arms transfers, Taiwan cannot turn to other Western countries which fear provoking China's wrath. Therefore, there is no choice but to seek some modicum of defence industrial self-reliance with the support of willing foreign partners.

The future of Taiwan's defence-industrial development could take any of the following trajectories.

The first could be to use Russia to pressure the US to conduct arms sales on terms more favourable to Taiwan, just as India signed the P-8I maritime patrol aircraft (MPA) deal with the US to pressure Russia. The second path could be to continue tapping on Russian and other possible sources for military-technological know-how as a long-term hedge against the US.

However, it might not be plausible for Taiwan to procure whole platforms from Russia since the Taiwanese military has been used to operating Western equipment. The third path could be intensified indigenous research and development efforts within Taiwan's already quite established defence industries. The last choice, while it may be the most expensive of all, will at least help Taiwan advance its defence sovereignty.

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