

From Russia without Love: Russia Resumes Weapons Sales to China by Loro Horta

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In March 2013, Russian and Chinese media reported that Beijing was acquiring significant quantities of advanced military equipment from Russia. Among the multi-billion dollar systems to be bought by the Chinese military are six *Lada*-class attack submarines and 35 *SU-35* fighter jets. These acquisitions are significant because they are sophisticated systems and it has been more than a decade since China purchased any significant weapon systems from Moscow.

After making substantial purchases from Russia from the mid-1990s to the early-2000s, China began to reverse engineer weapons such as the *SU-27* multirole fighter, the *NORINCO T-90* tank, and several components of its most advanced conventionally powered submarines. Occasionally, China legally purchased licensing rights to Russian systems. Achieving self-reliance in military technology has long been a major priority of China's defense policy.

From the late 1990s China invested significant resources to develop an indigenous submarine program. Consequently, the Chinese Navy (PLAN) has launched several types of submarines, including diesel- and nuclear-powered attack submarines and nuclear-powered ballistic missile submarines. But while China's submarine program has made progress, the PLAN seems dissatisfied with the quality of the indigenous platforms, which has forced the turn back to Russia.

Russia has been reluctant to sell its most advanced weapons to China for fear that this would undermine Moscow's interests. Russia is increasingly concerned about China's economic dominance in Moscow's traditional spheres of influence such as resource-rich Central Asia. Russia is also concerned about the sparsely populated Far East, which borders heavily populated northern Chinese provinces. The rapid expansion of the PLAN also poses a challenge to Russia's underfunded and aging Far East fleet.

Faced with severe budget limitations that have been exacerbated by Russia's economic slowdown, the military has little choice but to sell advanced equipment to China, and Beijing is demanding the best. To keep weapons design laboratories and research facilities open, the Russian military needs substantial financial resources. By selling and licensing production of less advanced weapons to China, it obtains funds to develop newer, more advanced weapon systems.

For instance, Russia was able to develop its most advanced fighter, the *SU-35*, using funds from licensed production of the *SU-27*. The Chinese bought the license after Russian protests over China's alleged illegal incorporation of *SU-27* technologies into its domestically produced *J-10*. Other observers note that China bought licensed production of the *SU-27* after it failed to successfully copy the *SU-27*, particularly its avionic components.

Russia's budget limitations meant that its air force was only able to purchase a small number of fighters. In 2011 just three *SU-35*s were deployed. Weapons sales to China and other countries like India allow Russia to continue to invest in research and development, and retain a technical edge for the day the Russian military can finally make large orders.

The sale of 12 *Kilo*-class submarines to China provided badly needed funds to develop the *Lada*-class submarine. To prevent China from copying that weapon system and selling it on the international market as it has done in the past, Russia is selling not just the platforms, but the license too. Under the agreement, one submarine will be built in Russia while the other five will be built in Chinese shipyards.

To balance China's growing acquisition and manufacture of Russian weapons, Moscow has signed agreements with India allowing for weapons sales and licensed production. Russia sold the *Kilo*-class submarine and the rights and technology to produce the *SU-27* under license to both China and India. If past arms purchases from Russia are any guide, one can expect similar deals with India. New Delhi is likely to want to counter China's acquisition of Russian systems with its own purchases and technology transfer deals.

While Russia is ready to sell its most advanced systems to China, Beijing is increasingly unhappy with that option. Russia can produce some state of the art systems, but it risks falling far behind the West. After decades of self-reliance, Russia has in the past five years begun acquiring systems from abroad. The Russian Navy purchased three landing ships from France, unmanned aerial vehicles (UAVs) from Israel, and advanced communications equipment from Germany.

Faced with a Western arms embargo since the Tiananmen events in 1989, China has relied heavily on Russian technology to develop indigenous industries. As Russia falls behind in many critical areas, China is likely to invest more in its own R&D, which is believed to be worth billions every year. Beijing is also looking at partnerships with countries with developed industries and access to Western technology such as Brazil. There are US accusations of extensive industrial espionage by China. Hundreds of Chinese scientists are sent abroad to study at the most advanced schools in the US and Europe. Many of these individuals are linked with the military, although that institutional affiliation is often undisclosed. A US Army officer with a background in military

intelligence noted half-jokingly that “I wouldn’t be surprised if you were to find more PLA officers at American civilian universities than you would find American officers.”

While China lags the US in general and behind Russia in some areas, its military industry is slowly bridging the gap, particularly with Russia. China’s space and missile program, once dependent on Russia, are now equal, if not superior, to those of Russia. China seems to have a clear edge over Russia in UAVs after acquiring technology by both covert and overt methods from Western countries. While a lot of attention has been devoted to the implications of China’s military modernization for the United States, less attention has been devoted to its impact on Russia. As China’s military complex develops, some Russian analysts predict that in the not so distant future Russia may be buying weapons from China.

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