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CHINA'S GROWING INFLUENCE IN THE GLOBAL ARMS MARKET

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Introduction

As China continues to grow economically and technologically, its international influence is on the rise. China is a powerful nation, with many resources and a large population. The country has a long history of accomplishments and is currently the world's second-largest economy.¹ Its power is both a cause and a consequence of its wealth. The country's affluence has allowed it to invest in many important sectors of the global economy, such as manufacturing, technology, and infrastructure.

In 1978, China opened its economy to the world.² This event changed the course of global history and ushered in an era of unprecedented growth for the country. Although China has progressively begun producing its own military gear, a large portion of the nation's imported weapons still originate from Russia,³ a partnership that has continued since the end of the Cold War in the 1990s. Following the United States' displays of military might during the Gulf War and the third Taiwan Strait Crisis, China then began a program to modernise the People's Liberation Army, which was at the time lagging. After the US and Europe imposed an arms embargo on China in reaction to the crackdown on Tiananmen Square (Beijing, China) in 1989,⁴ China stopped looking towards the West as a source of modern weapons technology.

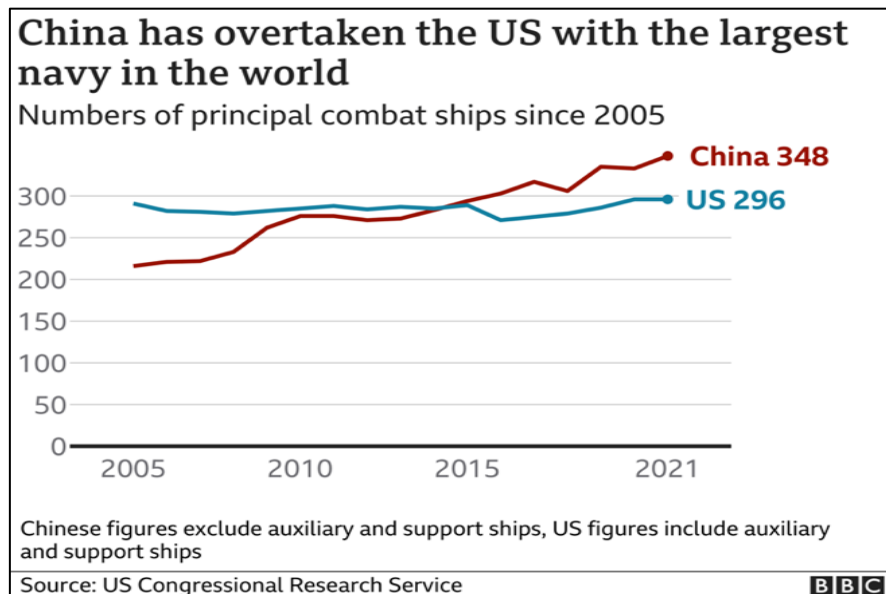
China has been purchasing large quantities of arms from Russia in recent years, with the stated goal of expanding its military capabilities. The arms purchases have raised eyebrows and led to allegations of Beijing using the arms purchases as a way to expand its influence in other regions. What are China's motivations for increasing its military arsenal? Do arms purchases comply with international law?

¹ BI India Bureau. 2019. "Top 10 Largest Economies in the World 2019." Business Insider. Business Insider India. August 6, 2019. <https://www.businessinsider.in/top-10-largest-economies-in-the-world/articleshow/70547252.cms>.

² World Bank. 2021. "China Overview." World Bank. October 12, 2021. <https://www.worldbank.org/en/country/china/overview>.

³ Maizland, Lindsay. 2020. "China's Modernizing Military." Council on Foreign Relations. February 5, 2020. <https://www.cfr.org/backgrounder/chinas-modernizing-military>.

⁴ "EU Arms Embargo on China | SIPRI." n.d. Wwww.sipri.org. https://www.sipri.org/databases/embargoes/eu_arms_embargoes/china.



China has been making headlines across the world for various reasons. Reports of unaccounted wealth,⁵ human rights abuses,⁶ and a military that continues to grow at an alarming rate⁷ have made the country a global pariah. Despite these headlines, however, China has been quietly making significant inroads into the global arms market.

Today, China has emerged as a mega weapon supplier to over 50 countries around the globe.⁸ Thus, it does not come as a surprise when 3 of the world's top 10 arms companies are Chinese⁹ and as a result, its export system stands 5th in the entire world.¹⁰ China is seen exporting mainly to relatively poorer countries in South and East Asia, Africa, and Latin America. It has been observed that China exports arms to those countries where the sales are linked to lower costs and arms are

⁵ Bloomberg. 2019. "Why Hiding Wealth Is Now Harder than Ever for China's Billionaires." [www.business-standard.com](https://www.business-standard.com/article/international/why-hiding-wealth-is-now-harder-than-ever-for-china-s-billionaires-119022100136_1.html). February 21, 2019. https://www.business-standard.com/article/international/why-hiding-wealth-is-now-harder-than-ever-for-china-s-billionaires-119022100136_1.html

⁶ Amnesty International. 2020. "Everything You Need to Know about Human Rights in China 2020." Amnesty International. 2020. <https://www.amnesty.org/en/location/asia-and-the-pacific/east-asia/china/report-china/>

⁷ Gill, Mehul S. (2022), The Chinese Revolution in Military Affairs: Implications for India, Issue Brief, Centre for Security Studies, O.P Jindal Global University https://www.cssjsia.com/files/ugd/348fae_4ae1c1bab0704372a976f0689eeeb3e7.pdf

⁸ "How Dominant Is China in the Global Arms Trade? | ChinaPower Project." 2018. ChinaPower Project. June 29, 2018. <https://chinapower.csis.org/china-global-arms-trade/>

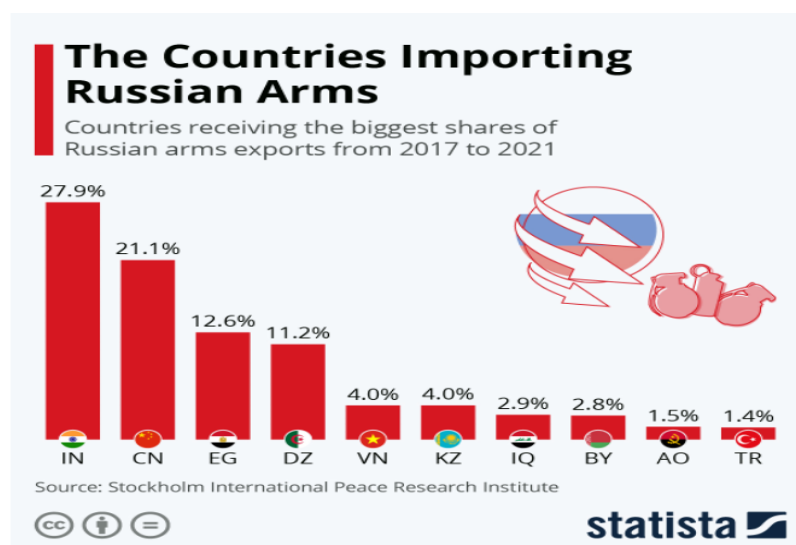
⁹ Tian, Nan, and Fei Su. 2020. "Estimating the Arms Sales of Chinese Companies." SIPRI. January 1, 2020. <https://www.sipri.org/publications/2020/sipri-insights-peace-and-security/estimating-arms-sales-chinese-companies>

¹⁰ McKinsey Global Institute. 2019. "China and the World: Inside the Dynamics of a Changing Relationship." McKinsey & Company. 2019. <https://www.mckinsey.com/featured-insights/china/china-and-the-world-inside-the-dynamics-of-a-changing-relationship>

treated as cheap loans.¹¹ The intention behind the strategic exports is that this allows China to establish a powerful position in the local defense markets of these countries.

The Growing Partnership between China and Russia

Trade with China was beneficial for Russia as it gave the country the financial wherewithal to recover after the Soviet Union's collapse in 1991 destroyed the nation's defence sector. In 1992, China started acquiring Russian Sukhoi Su-27 fighter planes.¹²



(Chart: The Countries Importing Russian Arms | Statista)

According to the Stockholm International Peace Research Institute, it has been estimated that between 2016 and 2020, over 77% of China's arms were imported from Russia.¹³ It is at the same

¹¹ "China's Growing Defence Exports in Asia – Implications India." 2020. Air Power Asia. August 11, 2020. <https://airpowerasia.com/2020/08/11/chinas-growing-defence-exports-in-asia-implications-india/>.

¹² "The National Interest: Blog." n.d. The National Interest. Accessed November 8, 2022. <https://nationalinterest.org/blog/reboot/how-china-got-their-own-russian-made-su-27->

¹³ "How China Grew from Buyer to Major Arms Trade Player." 2021. South China Morning Post. July 4, 2021. <https://www.scmp.com/news/china/military/article/3139603/how-china-grew-buyer-major-arms-trade-player>

time when China received a consignment that totaled 18% of Russia's exports,¹⁴ making it the world's 2nd largest receiver of arms from Russia, following India.

Both countries have been seen cooperating on military and other national and international strategic issues. Shortly after the start of the Ukraine-Russia war, in a United Nations Security Council meeting, China's support to Russia was seen when they refrained from condemning Russia's military invasion of Ukraine.¹⁵

Early in June 2022, when US President Joe Biden met with Russian President Vladimir Putin in Geneva, Switzerland to discuss the risk of military conflicts and form a task force to combat cyberattacks, an issued statement stated that, "The more turbulent the world, the more it is necessary for China and Russia to strengthen strategic cooperation".¹⁶

China's share of Russian arms exports has fallen from 60.2% in 2005 to 18.7% in 2020.¹⁷ This trend reflects China's growing ability to manufacture sophisticated weapon systems domestically, which is partly due to significant investments in research and development (R&D). China is the world's second-largest spender on Research & Development activities¹⁸ and is rapidly catching up to the United States. However, the successful refactoring of existing foreign technology has aided China's growing independence. For example, in the 1990s, China and Russia collaborated to develop Shenyang J-11 fighters based on the design of Russian Su-27s.¹⁹

The deepening partnership between the emerging superpowers, China and Russia, has created a feeling of unsettlement amongst the Western powers. The two countries have been seen

¹⁴ Reuters. 2022. "China's Exports to Russia up by More than 20% as Growth Slows Elsewhere." *Reuters*, October 24, 2022, sec. European Markets. <https://www.reuters.com/markets/europe/chinas-exports-russia-up-by-more-than-20-growth-slows-elsewhere-2022-10-24/>

¹⁵ Reuters. 2022. "China Refrains from Condemning Russia despite Intensifying Ukraine Attack." *Reuters*, February 25, 2022, sec. China. <https://www.reuters.com/world/china/china-hits-back-biden-assertion-stain-over-ukraine-2022-02-25/>

¹⁶ Stronski, Paul, and Paul Stronski. 2018. "Cooperation and Competition: Russia and China in Central Asia, the Russian Far East, and the Arctic." Carnegie Endowment for International Peace. 2018. <https://carnegieendowment.org/2018/02/28/cooperation-and-competition-russia-and-china-in-central-asia-russian-far-east-and-arctic-pub-75673>

¹⁷ "Global Arms Trade Falls Slightly, but Imports to Europe, East Asia and Oceania Rise | SIPRI." n.d. www.sipri.org. <https://www.sipri.org/media/press-release/2022/global-arms-trade-falls-slightly-imports-europe-east-asia-and-oceania-rise>

¹⁸ "China's Digital R&D Imperative | McKinsey." n.d. www.mckinsey.com. <https://www.mckinsey.com/capabilities/operations/our-insights/chinas-digital-r-and-d-imperative>

¹⁹ "Shenyang J-11 Air Superiority Fighter | Military-Today.com." n.d. www.military-today.com. Accessed November 8, 2022. <http://www.military-today.com/aircraft/j11.htm>

collaborating on joint military training on how to defend their countries against attacks and China has been actively participating in Russian war games.²⁰ All these acts of close bonds and partnerships between Russia and China have been raising alarms in the United States and Europe.

China filling in the gaps left by the United States of America

A reason why China has been able to move up the ranks and claim the title as one of the world's largest importers and exporters of weapons is mainly because Beijing has always been quick to fill the abyss created and left by other suppliers. Many high-end pieces of equipment, including UAVs (Unmanned Aerial Vehicles), are subject to restrictions in the United States. China has made its UAVs available to several nations, including Pakistan, the United Arab Emirates, Saudi Arabia, and Egypt²¹. Serbia has become the first European country to use Chinese combat drones when it purchased the CASC CH-92 Wing long-armed drones,²² This was taken as a sign of how close Belgrade was to Beijing. Great targets for China are nations like Venezuela and Bolivia which the United States has abandoned or stopped supplying due to political constraints. In 2008, Venezuela purchased air search radars as well as K-8 trainers,²³ Later, they acquired armored personnel carriers, cargo planes, and self-propelled artillery.²⁴ "Rogue states" such as North Korea and Iran

²⁰ Wong, Edward. 2022. "Russia and China Held Military Exercise in East Asia as Biden Visited." *The New York Times*, May 24, 2022, sec. U.S. <https://www.nytimes.com/2022/05/24/us/politics/russia-china-bombers-biden.html>

²¹ Reuters. 2015. "China to Restrict Drone, Supercomputer Exports," August 3, 2015, sec. Technology News. <https://www.reuters.com/article/us-china-defence-exports/china-to-restrict-drone-supercomputer-exports-idUKKCN0Q81NQ20150803>

²² Roblin, Sebastien. n.d. "Missile-Armed Chinese Drones Arrive in Europe as Serbia Seeks Airpower Edge." Forbes. Accessed November 8, 2022. <https://www.forbes.com/sites/sebastienroblin/2020/07/09/missile-armed-chinese-drones-arrive-in-europe-for-serbian-military/?sh=397462de79d2>

²³ "Venezuelan Air Force Receives Hongdu K8-W Jet Trainers." *Airforce Technology*, 12 Apr. 2016, www.airforce-technology.com/news/newsvenezuelan-air-force-receives-hongdu-k8-w-jet-trainers-4863335/

²⁴ Roy, Diana. "China's Growing Influence in Latin America." *Council on Foreign Relations*, 12 Apr. 2022, www.cfr.org/backgrounder/china-influence-latin-america-argentina-brazil-venezuela-security-energy-bri

are some of the others,²⁵ There are many combat zones where Chinese weapons have been used starting right from the Second World War.

Thus, it can be said that China has a history of providing arms to nations that are unpopular with the United Nations.

Sector	Company
Aerospace	Aero Engine Corporation of China (AECC)
	Aviation Industry Corporation of China (AVIC)
	China Aerospace Science and Industry Corporation (CASIC)
	China Aerospace Science and Technology Corporation (CASC)
Electronics	China Electronics Technology Group Corporation (CETC)
Land Systems	China North Industries Group Corporation (NORINCO)
	China South Industries Group Corporation (CSGC)
Nuclear	China Academy of Engineering Physics (CAEP)
	China National Nuclear Corporation (CNNC)
Shipbuilding	China State Shipbuilding Corporation (CSSC)

This chart shows the Chinese companies that are dominating across various fields like aerospace, nuclear and electronics that directly and indirectly contribute to the weapon economy of China.

Chinese Arms Market in Africa

Africa is a major market for Chinese arms companies. According to a report by the Stockholm International Peace Research Institute (SIPRI) companies like NORINCO (China North Industries Group Corporation) are selling small arms and light weapons to many countries in Africa.²⁶

²⁵ Sigal, Leon V., Joel Wit, and Anoush Ehteshami. "North Korea and Iran." Edited by Barry Blechman. Stimson Center, 2009. <http://www.jstor.org/stable/resrep10857>

NORINCO in 2020 was amongst the leading Chinese weapons maker and had an estimated sale of \$17.9 billion. Over 66% of the countries in Africa use arms manufactured by China.²⁷

As per reports by SIPRI, Chinese arms companies have been active in Africa since the early 2000s. They have sold weapons to Algeria, Burkina Faso, Cameroon, the Central African Republic, Chad, Djibouti, Egypt, Ethiopia, Gabon, Ghana, Kenya, Mauritania, Morocco, Nigeria, Senegal, South Africa, Sudan, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe.²⁸

There is a correlation between the Chinese arms sale in Africa with the increasing numbers of United Nations Peacekeeping deployments across Africa. It comes as no surprise that China sells its arms in bulk to Africa at knockdown prices.

Chinese arms have been widely used in conflicts in the Democratic Republic of Congo, Sudan and Somalia.²⁹ The China North Industries Group Corporation in 2014, supplies over 100 guided missile systems, 24 million rounds of ammunition and 9000 automatic rifles to the Sudanese government.³⁰ This sale has been under scrutiny for a long period as the actions of the Sudanese government have also been criticised by the international community as well as many multilateral organisations.

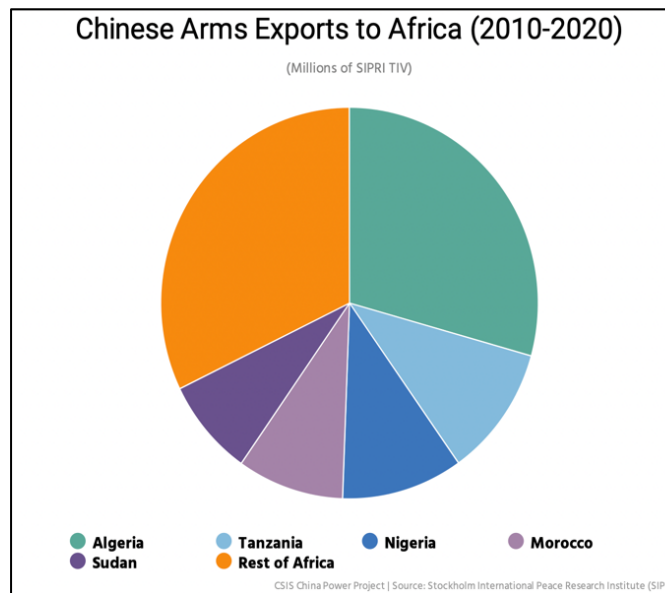
²⁶ Bromley, Mark, et al. *China's Exports of Small Arms and Light Weapons*. SIPRI, SIPRI, 1 Oct. 2013, www.sipri.org/publications/2013/sipri-policy-papers/chinas-exports-small-arms-and-light-weapons. Accessed 8 Nov. 2022.

²⁷ Luke Encarnation, "Assessing the Impact of Chinese Arms in Africa," *Georgetown Security Studies Review*, April 20, 2021, <https://georgetownsecuritystudiesreview.org/2021/04/20/assessing-the-impact-of-chinese-arms-in-africa/>.

²⁸ "International Arms Transfers Level off after Years of Sharp Growth; Middle Eastern Arms Imports Grow Most, Says SIPRI | SIPRI," *www.sipri.org*, n.d., <https://www.sipri.org/media/press-release/2021/international-arms-transfers-level-after-years-sharp-growth-middle-eastern-arms-imports-grow-most>.

²⁹ Lynch, Colum. "China's Arms Exports Flooding Sub-Saharan Africa." *The Washington Post*. WP Company, August 25, 2012. https://www.washingtonpost.com/world/national-security/chinas-arms-exports-flooding-sub-saharan-africa/2012/08/25/16267b68-e7f1-11e1-936a-b801f1abab19_story.html

³⁰ Chopra, Anil. "China's Growing Defence Exports – Implications & Options for India." *Chanakya Forum*. Accessed November 8, 2022. <https://chanakyaforum.com/chinas-growing-defence-exports-implications-options-for-india/>



China is seen enhancing its land power by developing large maintenance bases across Africa. Tanzania and the Republic of Congo have aircraft maintenance and training bases and Djibouti has a naval base.³¹

China, however, lags behind more established arms suppliers primarily due to quality concerns. According to the US Department of Defense (DoD), "quality deficiencies persist with some exported equipment, impeding China's ability to expand its export markets." (However, the lower cost of Chinese arms makes them appealing to many countries. According to the Department of Defense, "Chinese arms are less expensive than those offered by the top international arms suppliers... but still have advanced capabilities."³²

Chinese Arms Sale in Europe

Following the Chinese government's use of the People's Liberation Army to suppress demonstrations in Beijing in 1989, several European Union member states declared arms

³¹ ANI. "China Looking to Establish Military Bases in Africa Most Significant Threat to Us, Says Official." ANI News, April 24, 2021. <https://www.aninews.in/news/world/us/china-looking-to-establish-military-bases-in-africa-most-significant-threat-to-us-says-official20210424233346/>

³² "U.S. Department of Defense." Military and Security Developments Involving the People's Republic of China 2017. United States of America, 2017. https://dod.defense.gov/Portals/1/Documents/pubs/2017_China_Military_Power_Report.PDF

embargoes against China. The European Council of Ministers agreed in Madrid on June 26, 1989, that the arms embargo would become part of a set of EU-wide diplomatic and economic sanctions intended to signal disapproval of Chinese actions.³³ In 1989, the European Union had no consensus on what items were covered by the term "arms embargo." As a result, individual member states were left to interpret the embargo in light of their own national laws, regulations, and decision-making processes. The European Union welcomes China's engagement in Europe in a wide range of sectors, including trade and investment, tourism, and academic exchanges. It is also in the EU's best interests to collaborate with China to ensure Chinese involvement in Europe, particularly in the EU's Eastern and Southern neighbourhoods.

In 2015, Chinese arms exports to Europe more than tripled³⁴, making China the fifth-largest supplier of major conventional weapons to the continent. At the same time, Beijing continues to expand its footprint in the European arms market through foreign military sales and direct investment in local companies. Recent research shows that Chinese firms have made at least 31 investments totaling US\$5.6 billion in Europe's defense and security sector since 2005.³⁵ These moves are part of a wider effort to increase the international competitiveness of China's arms industry, which has been a key priority of Chinese leaders for more than a decade.

Despite the thriving arms market in Europe, the Chinese have found it difficult to enter the arms market there. Several reasons can explain this, including the fact that China does not have much of a reputation for producing quality armaments, and that Chinese products are often seen as being knock-offs of more popular and reliable Western brands. In addition, European nations have been hesitant to buy arms from China due to concerns over human rights abuses.

³³ "EU Arms Embargo on China." SIPRI, November 20, 2012. https://www.sipri.org/databases/embargoes/eu_arms_embargoes/china.

³⁴ Maryann Xue. "How China Grew from Buyer to Major Arms Trade Player." South China Morning Post, July 4, 2021. <https://www.scmp.com/news/china/military/article/3139603/how-china-grew-buyer-major-arms-trade-player>.

³⁵ Tu, Lianting. "Update 1-BOC AT1 Beats Asian Record." Reuters. Thomson Reuters, October 17, 2014. <https://www.reuters.com/article/emergingmarkets-bonds-idUKL3N0SC51520141017>.

Chinese Arms Sale in Asia

In 2013, China's combined arms exports to South and Southeast Asian countries grew exceptionally from 847 million in 2010 to 1.6 billion (in TIV – Trend Indicator Value). However, it still comes second to the United States of America. The US managed to export 14.2 billion TIV worth of weapons to the same countries that China too was supplying. As per SIPRI, TIV (trend-indicator values) – “is a unique measurement developed by SIPRI based on estimations of production cost for various weapons. TIVs do not directly measure the financial value of an arms sale in a specific currency, but they allow for comparisons between countries and across time.”³⁶

In March 2018, Beijing announced that it was selling advanced tracking systems that could be used on multiple nuclear missiles³⁷. This announcement came just weeks after India tested its Agni-V long-range ballistic missile early in January of the same year. Such purchases highlighted the close cooperation between the Chinese and Pakistani armies as well as the jointly developed JF-17 aircraft and the Type 05 AP frigate, which China built for the Pakistani Navy.

Asia is where 82.8% of Chinese weapons are sold³⁸. China has sold 61.3 percent of its conventional weaponry to Pakistan, Bangladesh, and Myanmar since 2008³⁹. Comparative to the US, Chinese sales of weapons in South and Southeast Asia are still negligible. The political goals behind China's weapons supplies to Pakistan are clear. The Type 054AP class battleship being built by China for the Pakistani Navy and the jointly designed JF-17 aircraft are both significant. Eight Hangor-class submarines will be provided by China, eight of which will be built in Pakistan and four of which will be manufactured in China⁴⁰.

³⁶ Zhāng Wēi. “How Dominant Is China in the Global Arms Trade?” ChinaPower Project, May 27, 2021. <https://chinapower.csis.org/china-global-arms-trade/>.

³⁷ Hui Yin. “How Dominant Is China in the Global Arms Trade?” ChinaPower Project, May 27, 2021. <https://chinapower.csis.org/china-global-arms-trade/>.

³⁸ Chopra, Anil. “China's Growing Defence Exports in Asia – Implications India.” Air Power Asia, October 24, 2020. <https://airpowerasia.com/2020/08/11/chinas-growing-defence-exports-in-asia-implications-india/>.

³⁹ D. Wezeman, Pieter, Alexandra Kuimova, and Siemon T. Wezeman. “TRENDS IN INTERNATIONAL ARMS TRANSFERS, 2020.” *TRENDS IN INTERNATIONAL ARMS TRANSFERS, 2020 (SIPRI Fact Sheet March 2021)*, 2020.

⁴⁰ Khanna, Rahul. “Pakistan to Acquire 4 Chinese Frigates, 8 Submarines in Modernisation Push for Navy.” India Today. India Today, February 6, 2021. <https://www.indiatoday.in/world/story/pakistan-to-acquire-4-chinese-frigates-8-submarines-in-modernisation-push-for-navy-1766465-2021-02-06>.

China sold Bangladesh arms worth \$1.93 billion between 2008 and 2018. This makes China the top supplier of armaments to Dhaka, accounting for 71.8 percent of Bangladesh's military purchases during this time⁴¹. China provides finance to cover these purchases. The complete tank fleet of Bangladesh is made in China. In a similar vein, China is a major supplier of naval equipment, including submarines, artillery, air defense weapons, and rifles.

The third-largest market in Asia for Chinese weaponry exports is Myanmar. They purchase small arms, tanks, artillery, and air defense weaponry. Additionally, it purchased from Pakistan 12 Rainbow UAVs two Type 43 frigates, and 76 Type-92 armored vehicles in addition to 17 JF-17 planes of Chinese provenance. For its Army, Sri Lanka uses Chinese artillery, tanks, armored personnel carriers (APC), and other weaponry⁴². Currently, Nepal only uses a small number of armored personnel carriers and rifles that are of Chinese origin.

Implications for India

India's defense export strategy is deeply ingrained in Indo-Pacific geopolitics. In the face of growing Chinese influence in the region, the recently held Aero India 2021 airshow in Bengaluru, Karnataka's southern state, demonstrated that India is prepared for strong defense cooperation with Indian Ocean Region (IOR) countries.

The airshow displayed various advanced weapon systems developed by Indian defense manufacturers and demonstrated India's air superiority capability through aerial stunts. The Indian Ministry of Defense (MoD) released a list of 156 defense items cleared for export during the airshow, including some of India's most advanced weapon systems such as BrahMos supersonic

⁴¹ Aesha Datta. "Chinese Arms to Dhaka Fail Quality and Longevity Tests, One after the Other." The Economic Times. Accessed November 8, 2022. <https://economictimes.indiatimes.com/news/defence/chinese-arms-to-dhaka-fail-quality-and-longevity-tests-one-after-the-other/articleshow/87516127.cms?from=mdr>.

⁴² Chopra, Anil. "China's Growing Defence Exports – Implications & Options for India." Chanakya Forum. Accessed November 8, 2022. <https://chanakyaforum.com/chinas-growing-defence-exports-implications-options-for-india/>.

cruise missiles, the Advanced Towed Artillery Gun System (ATAGS), Pinaka multi-barrel rocket launchers, and the Combat Management System.

IOR countries must balance or counteract the new situations they are confronted with because of China's rise, economic power, and aggressive military posture. Many countries in the region are now seeking alternative avenues of cooperation and collaboration with other major regional and external powers because of this posturing. China's rise as a dominant player in the Indo-Pacific region has created new security challenges in the region. According to SIPRI data⁴³, the Philippines, Vietnam, Indonesia, Singapore, and Taiwan, all increased their arms imports in recent years.

Meanwhile, China, which has already established itself in the global defense market, is collaborating with Pakistan to sell the jointly developed export variant JF-17 fighter aircraft in Asia. This will inevitably bring Pakistan, which has no expertise in exporting defence technology, into the arms market. The China-Pakistan partnership is a serious concern for India, and it would adversely affect India's position as a regional power.⁴⁴

India would need to counterbalance China in the Indian Ocean region through its defense export policy. China has the economic clout to sell weapons at a discount. Their production levels would need to line up. India has the advantage of charming the smaller countries with an open-arms strategy.⁴⁵ India is simpler to work with because it is a democracy. Smaller Asian states may suffer from an overreliance on China. India must take advantage of this. Perhaps the time has come for India to establish a separate department for defense exports.

⁴³ Kolja Brockmann. "Military Expenditure." SIPRI. Accessed November 8, 2022. <https://www.sipri.org/research/armament-and-disarmament/arms-and-military-expenditure/military-expenditure>.

⁴⁴ Prakash Panneerselvam for The Diplomat. "India's Defense Export Strategy: Balancing China in the Indian Ocean Region." – The Diplomat, February 17, 2021. <https://thediplomat.com/2021/02/indias-defense-export-strategy-balancing-china-in-the-indian-ocean-region/>.

⁴⁵ Mani, Sudarsanan, ed. "India Exports These Defence Equipment and Systems to Other Countries." cnbctv18.com. CNBC TV 18, October 19, 2022. <https://www.cnbctv18.com/india/india-exports-these-defence-equipment-and-systems-to-the-world-already-14980691.htm>.

Conclusion

China's arms exports account for a small percentage of global arms sales—roughly 5% of international arms exports over the last decade. China's arms exports remain modest in comparison to those of the United States and Russia.⁴⁶ However, China's defense industry may lay the groundwork for future sales growth, particularly in niche arms markets.

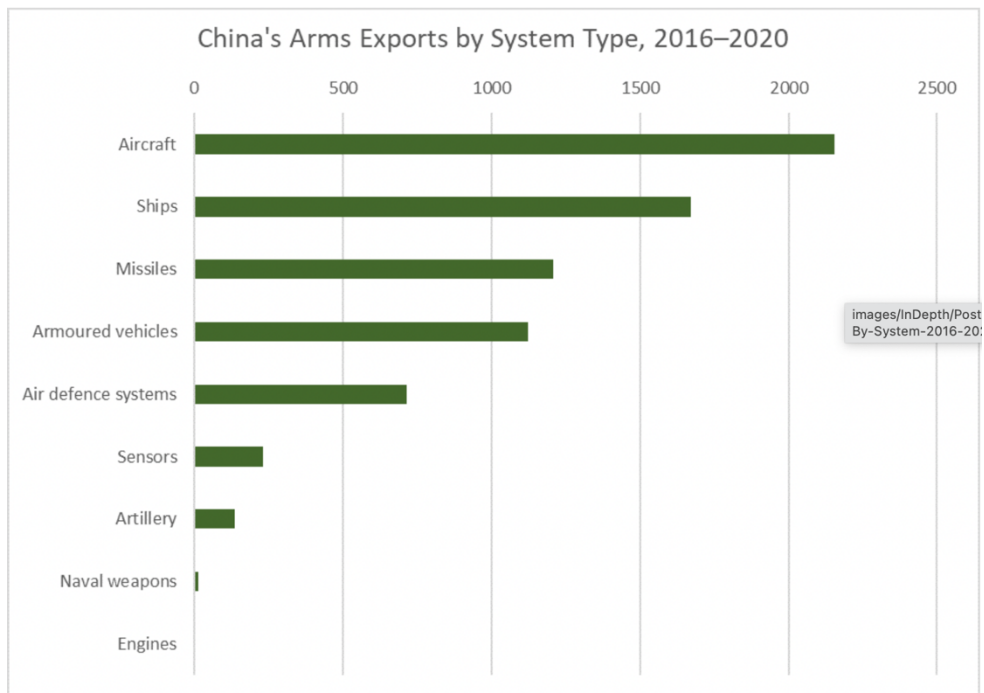
The People's Republic of China (PRC) has increased its exports of ships and aircraft, including remotely piloted vehicles, in specific sectors (RPVs). The proliferation of drone technology may boost China's defense export sector, and the PRC shipbuilding industry may provide an affordable option for naval platforms to middle-income countries.

Ships, aircraft, and armored vehicles were China's top three categories of arms exports in 2019, according to the Stockholm International Peace Research Institute's Arms Transfers Database.⁴⁷

In the chart below, we can see a graph depicting China's arms sales over 5 years (2016-2020).

⁴⁶ Nouwens, Lucie Beraud-Sudreau and Meia, Lucie Beraud-Sudreau, Meia Nouwens, Rajeev Ranjan Chaturvedy, Richard Bitzinger, James Char, Rahul Nath Choudhury, et al. "Are Arms Exports a Tool of Chinese Foreign Policy?" East Asia Forum, July 7, 2018. <https://www.eastasiaforum.org/2018/07/07/are-arms-exports-a-tool-of-chinese-foreign-policy/>.

⁴⁷ Dr Mark Bromley. "SIPRI Arms Transfers Database." SIPRI. Accessed November 8, 2022. <https://www.sipri.org/databases/armstransfers>.



The impact of President Vladimir Putin's invasion of Ukraine on Russian weaponry sales is yet uncertain. Russia was the second-largest arms exporter in the world from 2016 to 21 and accounted for 19% of all exports. However, this was a 26% decrease from the previous five years.

Without a doubt, the war will hurt Russian sales. Some nations will avoid engaging with Moscow out of concern for Western sanctions, and Russian industry will find it difficult to build equipment at the same rate as before because of the sanctions' effects. For example, finding electronic components and microchips will be more challenging.

Unverified rumors claim that several Russian armaments factories have already had to stop production due to a lack of component suppliers.

The deteriorating state of the Russian defense sector may make it easier for certain nations to switch their allegiance from Russia to China when they next need to purchase military hardware. However, it is unlikely that this would result in a significant increase in Chinese military exports.

China's recent military expansion and arms exports have had a significant impact on global security. As the world's second-largest arms exporter, China has supplied militaries across the

globe with a variety of weapons, from small arms to fighter jets. This has led to concerns about the impact of Chinese arms on the security of countries in regions like the Middle East and Africa. While some argue that Chinese arms help to maintain regional stability, others worry that they could be used to support dictatorships or exacerbate conflicts. The reality is that China's arms exports are driven by a mix of political, economic, and security considerations. As such, they are likely to continue to grow in the future, posing both opportunities and challenges for the international community.

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