China-Latin America Arms Sales
Antagonizing the United States in the Western Hemisphere?
Capt. George Gurrola, U.S. Army

The engagement between the People’s Republic of China and the Latin America and Caribbean (LAC) region during the twenty-first century is highlighted by its extraordinary increase in commercial, political, and military relations. Since China’s entrance into the World Trade Organization in 2001, it has become an increasingly vibrant partner for the region. Chinese banks leased approximately “$22.1 billion to Latin American governments, more than the combined loans from the two traditional multilateral lenders, the World Bank and the Inter-American Development Bank.”

Most
researchers and senior U.S. policy makers have focused on Chinese economic activity, highlighting “its sale of increasingly diverse and sophisticated products in the Latin American and Caribbean market.”

Similar to China’s sharp increase in economic relations, it has also significantly expanded its military engagement, effectively creating opportunities to expand its arms market in the LAC region. However, little assessment has been placed on China’s emergence into the region’s arms market, particularly how that emergence pertains to China’s comprehensive strategy in building influence and strengthening military partnerships.

The sale of Chinese arms has several implications for the LAC region. For one, arms exports are a symbol of a country’s position in the global hierarchical system of arms production. Efficient arms production can provide revenue and balance costs related to defense research and development. On a functional level, armies must procure arms that have a maintainable life cycle. One can also argue that arms exports are a key component in a nation’s foreign policy and can help secure influence, or “soft power.” Simply put, the expansion of arms exports may provide multiple benefits and can reflect a nation’s interests abroad. In Latin America, the increase in arms sales has complemented China’s goals of “securing access to natural resources and exports markets.” It is important to note that China’s “complementing” differs from “facilitating.” “If the latter becomes more prominent, it may be a worthy indicator or warning of a significant shift in the security environment.”

As such, this research seeks to understand the intricacies of China’s Latin America policy and trends of its arms exports, both globally and with regard to the LAC region. The research concludes with strategic implications for the region and the United States while providing a forecast for future Chinese arms exports into the region.

**Background: Chinese Policy**

The evolution of China’s policy papers toward Latin America demonstrates the importance of building relationships and engaging in arms sales. In its 2008 policy paper, China outlines its willingness to “provide assistance for the development of the army in Latin American and Caribbean countries.” It is important to note that China’s “complementing” differs from “facilitating.” “If the latter becomes more prominent, it may be a worthy indicator or warning of a significant shift in the security environment.”

Given bureaucratic hurdles in expanding a nation’s defense industry to compete in the global arms market, analyzing China’s arms flows to Latin America can provide further specific insight into the maturity of Sino-LAC military relations.
it is evident that China’s emergence in the region results from it having prioritized building military relations, specifically complemented by arms sales.

**Characteristics of Chinese Arms Exports**

Understanding the evolution of China’s total global arms exports and its geographical distribution provides the necessary background to highlight the recent shift to the Latin America arms market. Both table 1 and figure 1 (on page 125 and 126) demonstrate the evolution of China’s arms exports. The table shows the delineations of China’s arms exports between years and percentages by geographical distribution. It is important to note the low amount of military sales and exchanges between China and Latin America prior to 2000, especially when considering the U.S. shift in foreign policy post-9/11. In contrast, the period after 2000 is characterized by significant expansion into both African and Latin American markets.13

Overall, China’s increased global arms exports indicate an “emergence of a global strategy that attempts to extend China’s economic, political, and possibly military outreach.”14 Figure 1 demonstrates China’s enormous increase in global arms exports from 1990 to 2016. When comparing in five-year periods, China’s global arms exports saw a sharp increase of 88 percent from 1990 to 2015.15 Further, during the 2011–2015 period, China became “the third largest arms exporter with $8.5 billion in exports” behind both the United States and Russia.16 Although the top recipients of Chinese arm sales are Pakistan, Bangladesh, and Myanmar, it also expanded its customer base to other regions, primarily Africa and Latin America.17

As noted in table 1 and figure 2 (on pages 125 and 127), China’s entrance into the Latin American arms market is relatively new (since 2000) and can be considered as part of a new comprehensive strategy toward the region. As such, there are several noteworthy trends in China’s expansion of military engagement in Latin America. Prior to 2000, Chinese arms sales were limited to low-level equipment and military supplies, such as small arms and uniforms.18

A closer look at the evolution of imports by country demonstrates that the growth in sales in the region is initially attributed to and facilitated by a country’s ideological tendencies, particularly in the ALBA countries. As seen in figure 2, ALBA member states Venezuela, Ecuador, and Bolivia comprise most of the market share of arms imports from China. In its own publications, ALBA identifies itself as an “anti-imperialist

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>66</td>
<td>84</td>
<td>73</td>
</tr>
<tr>
<td>Europe</td>
<td>25</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Africa</td>
<td>9</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>Latin America</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
</tbody>
</table>

(Table is author’s adaptation of original from Zhifan Luo (2017) and author’s update from Stockholm International Peace Research Institute)
and “anti-neoliberal” organization that advocates for a socialist economic model.\textsuperscript{19} As a U.S.-China Commission report notes, this highlights a possible correlation with “anti-U.S. foreign policy orientation of the purchasers.”\textsuperscript{20} Further, China’s “nonintervention” policy makes arms sales attractive for countries.\textsuperscript{21} Based on China’s arms sales alone, one can infer its intention in the region is to expand its political influence while securing a future military presence in the region.

Another factor that contributed to the increase in arms sales is China’s relative comparative advantage. For one, China’s products are less expensive than those offered by the traditional international arms suppliers, such as the United States and Russia. More recently, China continues to make inroads into other nations besides the ALBA member states.\textsuperscript{22} This indicates an emergence into the market as an important actor. In 2009, “Peru—a key economic partner for the United States in the region and supporter of the U.S.-led Trans-Pacific Partnership—purchased fifteen of China’s FN-6 portable surface-to-air missiles (SAMs) in a $1.1 million deal, along with ten more of its SAMs. Then, in 2013, it bought twenty-seven multiple rocket launchers in a $39 million deal.”\textsuperscript{23} A potential breakthrough for Chinese arms sales in the region came in 2015 when then Argentine president Christina Fernández de Kirchner approved a major arms purchase. The agreement, near $1 billion in Chinese equipment, included “armored personnel carriers, fighter jets, and navy vessels.”\textsuperscript{24} However, President Mauricio Macri, who is considered more pragmatic and moderate than his predecessor, has adjusted several Sino-Argentine initiatives, including placing the significantly large arms purchase on hold.\textsuperscript{25} Despite Argentina’s deferment, these recent developments indicate Chinese arms sales continue to make inroads with Latin American militaries.

**The Case of China-Venezuela Arms Exports**

The significance of China’s exports to the region are best explained through examining Venezuela’s case. Venezuela is the primary purchaser of Chinese defense products in the region, which seems to demonstrate the importance of ideologically aligned relationships in terms of developing relationships with China. China and Venezuela’s defense bilateral relationship began to strengthen in 1999 when

![Figure 1. Value of Global Arms Exports from China, 1990–2016 (US$ Millions)](Figure courtesy of Stockholm International Peace Research Institute Arms Transfers Database, http://www.sipri.org/databases/armstransfers)
the late President Hugo Chávez visited Beijing. Subsequently, both countries began to increase military engagement with senior-defense level exchanges and personnel exchanges. For one, the perception of a potential U.S. invasion shaped Chávez’s decision to increase arms imports, which also provided an opportunity for increased cooperation with China. Specifically, the arms exports were fueled by the 2006 U.S. embargo on arms transfers, effectively making their U.S.-made equipment obsolete.26 Tensions in the region were also driven by Colombia’s announcement that it would raise its military spending to historical amounts.27 It is important to note that the Venezuela and Colombia bilateral relationship has been marked by maritime border disputes over “the area of the gulf region north of Maracaibo and to the Guajira Peninsula, between the lake and the Caribbean.”28 Additionally, during that period, diplomatic relations reached an all-time low due to Colombian President Álvaro Uribe’s policies toward Venezuela. Uribe sought to deploy Colombian troops across the border to pursue FARC rebels. Several factors led to warming Sino-Venezuelan relations. It can be argued that as a result of a perceived U.S. invasion and tensions with Colombia, Chávez turned to China for military hardware.

Venezuela’s major purchases were unique to the Latin American arms market due to both their sophistication and scope. As depicted in table 2 (on page 129), these weapons systems were diverse and reached across the spectrum of military capabilities, including communication systems, anti-air missiles, amphibious vehicles, fighter jets, and helicopters.29 Among the most sophisticated weaponry was the Hongdu Aviation Industry Corporation’s L-15 fighter jet trainer, which provides Venezuela with an advanced aviation platform. Simply put, a combination of anti-U.S. ideology and a preference for no-strings-attached procurements drove Venezuela’s purchase of arms from China.

Additionally, from a Chinese perspective, its arms exports also influence access to oil concessions including favorably low prices for oil. This is consonant with China’s interaction with other energy-producing partners, as “many states selling oil or oil concessions to China—Iraq, Iran, Sudan, Angola and Nigeria—are
also buyers of Chinese weapons.” As the world’s largest net importer of oil, China’s strategy to secure oil includes an arms providing component.

**China’s Growth and Implications**

While the 2017 Jane’s World Defense Industry Survey indicates China is expected to see continued global arms sales growth over the next five years, this may not be the case in the region. On one hand, many militaries in the region are faced with outdated equipment requiring modernization and may turn to China’s defense industry to diversify their equipment. This would provide an opportunity for Chinese defense firms to increase their sales. However, Chinese arms sales face several other challenges in the short-term. For one, political turmoil and economic uncertainty may cause a net decrease in defense spending in Latin America over the same period, impacting arms sales purchases. This is particularly the case in Venezuela, China’s main customer in the region. Venezuela currently faces a political and humanitarian crisis and a drop in oil prices, which is a major source of its revenue. This directly impacts its defense spending and may inhibit it from buying Chinese arms in the short term.

In addition, an increase in Chinese arms exports, especially in both volume and sophistication, may provide an indicator that China no longer fears antagonizing the United States in its own “backyard.” The growing Chinese presence in the Western Hemisphere continues to increase while the U.S. response has been limited. In essence, arms sales secure long-term military relationships and provide unique training opportunities for both militaries involved since Chinese arms sales not only provide equipment but also require specialized training and maintenance.

It remains to be seen if China can continue to deepen relationships at the people-to-people level.
Table 2. China-Venezuela Transfers of Major Weapons: Deals with Deliveries or Orders Made for 1990–2016

<table>
<thead>
<tr>
<th>Supplier/recipient (R)</th>
<th>Number ordered</th>
<th>Number designation</th>
<th>Weapon description</th>
<th>Year(s) weapons ordered</th>
<th>Year of delivery</th>
<th>Number delivered</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>China/Venezuela (R)</td>
<td>3</td>
<td>JYL-1</td>
<td>Air search raider</td>
<td>2005</td>
<td>2006–2007</td>
<td>3</td>
<td>Part of $150 million program for military-civilian air-surveillance system</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>JYL-1</td>
<td>Air search raider</td>
<td>2006</td>
<td>2008–2009</td>
<td>7</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>K-8 (Karakorum-8)</td>
<td>Trainer/combat aircraft</td>
<td>2008</td>
<td>2010</td>
<td>18</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>PL-5E</td>
<td>Short range air-to-air missile</td>
<td>2008</td>
<td>2010</td>
<td>100</td>
<td>For K-8 trainer/combat aircraft</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>SM-4 81mm</td>
<td>Self-propelled mortar</td>
<td>2012</td>
<td>2014–2015</td>
<td>18</td>
<td>Part of $500 million deal</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>SR-5</td>
<td>Self-propelled Multiple rocket launcher</td>
<td>2012</td>
<td>2014–2015</td>
<td>18</td>
<td>Part of $500 million deal</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>Type-07P/VN-1</td>
<td>Infantry fighting vehicle</td>
<td>2012</td>
<td>2014–2015</td>
<td>40</td>
<td>Part of $500 million deal; VN-1 version</td>
</tr>
<tr>
<td></td>
<td>121</td>
<td>VN-4</td>
<td>Armored personnel carrier</td>
<td>2012</td>
<td>2013–2015</td>
<td>121</td>
<td>For National Guard</td>
</tr>
<tr>
<td></td>
<td>25</td>
<td>ZBD-05/VN-18</td>
<td>Infantry fighting vehicle</td>
<td>2012</td>
<td>2015</td>
<td>25</td>
<td>Part of $500 million deal; VN-18 version</td>
</tr>
<tr>
<td></td>
<td>25</td>
<td>ZTD-05/VN-16</td>
<td>Light tank</td>
<td>2012</td>
<td>2015</td>
<td>25</td>
<td>Part of $500 million deal; VN-16 version</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>K-8 (Karakorum-8)</td>
<td>Trainer/combat aircraft</td>
<td>2014</td>
<td>2016</td>
<td>9</td>
<td>K-8W or K-8VV version</td>
</tr>
</tbody>
</table>

(Table courtesy of Stockholm International Peace Research Institute Arms Transfers Database [as of 30 November 2017], http://www.sipri.org/databases/armstransfers)
More importantly, this may provide Chinese military personnel further access to U.S. military doctrine, programs, and equipment. Perhaps drawn from the U.S. International Military Education and Training program, China has grown closer by “funding lavish trips for Latin American military officers to live and study” in China. As a result, this impacts U.S. security and bilateral relationships in the region.

Moreover, arms production and transfer undergo a resource-intensive procurement process and overcome large bureaucratic hurdles. In this context, it is important to note that lethal weapons systems such as missiles or nuclear technology are not part of the arms exportation yet. The United States must be watchful of China’s overall military gains including its arms-trade characteristics, personnel-training exchanges, and Mandarin language programs in the region. As Latin American scholar Gonzalo Paz notes, “When arms and weapon systems become an important share of the trade, as in the cases of Nazi Germany and the USSR, perception of hegemonic challenge in the United States, and of threat, gain weight.” Analysis of China’s weapons exports can provide a glimpse on how it “organizes itself internally and how it may attempt to extend its outreach and become a world power.”

**Conclusion**

This analysis outlined the current trends and factors leading to China’s increased arms sales to Latin America. As the data shows, China’s arms sales saw an increase parallel to its increased political and economic relations to the region. As the U.S.-China Security and Economic Commission notes, “China has sought to improve its diplomatic presence through an increasing number of high-level visits, military cooperation and exchanges, and involvement in several regional organizations.” Arms sales directly complement Chinese diplomatic relations.
and provide additional relationship building opportunities. They promote broader embassy coordination while creating familiarity between China's military and its counterparts. Moreover, as China continues to cement its economic and military relations with the region, it is possible that Latin American leaders may become more open to purchasing Chinese defense equipment, especially if China continues to improve the quality of its defense products.

In regard to Sino-Latin American military relations, potential for research exists in regards to space cooperation. Although not included in arms exports statistics, space cooperation continues to increase. Unlike its 2008 policy paper on Latin America, China's 2016 policy paper highlights its intention to “actively explore cooperation between the two sides in such fields as communication and remote sensing satellites, satellite data application, aerospace infrastructure, and space education and training.” Joint ventures in production and operation of satellites are ongoing, including the controversial “Deep Space Station” in southern Argentina. It remains to be seen how space cooperation develops, especially when considering the dual purposes space satellites provide. If arms exports are any indication, China will continue to increase its relationships across the spectrum.

While this analysis focuses on China's arms exports to Latin America, further critical discussion can focus on its global arms-sales strategy. Some experts assess its expansion of arms can be attributed to its comprehensive strategy to increase its soft power and image building. Interestingly, all of the recipients of China's arms exports are "low-and-middle-income countries." If Africa is any indication of China's future policy in Latin America, what do the current arms sales trends suggest? Both African and Latin American arms markets are relatively new for Chinese firms. Also, both regions require and demand low-to-medium range of weapons, which presents an opportunity for Chinese expansion. It remains to be seen if China will mirror its “hard power” approach in Africa, where it established a permanent military base in Djibouti and deployed several troops in support of peacekeeping missions in South Sudan. As Dr. R. Evan Ellis notes, “nothing in the public discourse of the Chinese leadership, policy papers, or debates suggests that Latin America is considered in the short term as a base for military operations.”

Notes

6. Ibid.
7. Lt. Col. Chike Williams (Army section chief at the U.S. Embassy in Brasilia, Brazil), discussion with author, 29 December 2017. Williams has worked with the Security Cooperation Office and has intimate knowledge in arm sales.
http://english.gov.cn/archive/white_paper/2015/05/27/content_281475115610833.htm.
16. Ibid.
17. “SIPRI Arms Transfers Database.”
29. “SIPRI Arms Transfers Database.”
33. Ibid.
34. “SIPRI Arms Transfers Database.”
43. R. Evan Ellis, China-Latin America Military Engagement: Good Will, Good Business and Strategic Position (Carlisle Barracks, PA: Strategic Studies Institute, 2011).