

The Big Read **Pakistan**

Pakistan shuns US for Chinese high-tech weapons

In a sign of a shifting balance of power, Islamabad is buying advanced military equipment from Beijing

Kiran Stacey in Islamabad APRIL 18, 2018

In the last few months of the Obama administration, the US state department made an announcement which caused a new breach in Washington's tumultuous relationship with Pakistan.

John Kirby, then the department's spokesman, said Congress had decided to approve the sale of eight fighter aircraft to [Pakistan](#). However, he added that some senior members of Congress "have made clear that they object to using foreign military financing [a form of military aid to help countries buy US weapons] to support it".

While the announcement garnered little attention in Washington, it was a much bigger deal in Pakistan: by withdrawing financing support, the US had in effect increased the price of the new F-16s from \$270m to \$700m, putting them out of Islamabad's reach.

US policymakers were concerned about [Pakistan's perceived failure](#) to tackle domestic extremism, which has had a knock-on effect in Afghanistan, where the US is engaged in its longest overseas war.

But for their counterparts in Islamabad, the incident confirmed what they had believed for a while: the US could no longer be relied on as their armed forces' primary source of advanced weapons.



China's president Xi Jinping gives a speech aboard a Chinese warship last week. China is now the biggest weapons exporter to Pakistan © Reuters
As a result, Pakistan is focusing instead on the rollout of the next batch of the JF-17, the fighter jet it is [developing with China](#), and which is catching up with the F-16 in terms of capabilities.

One former Pakistani minister recalls telling colleagues the US decision confirmed his worst fears. "We have learnt over time that the Americans are terrible when it comes to honouring their

promises,” he says. “This was bound to end up in divorce.”

Pakistan’s response encapsulated what had been a slow but steady shift in military procurement away from American-made weapons towards Chinese ones, or those made domestically with Chinese support.

Since 2010, US weapons exports to Pakistan have plummeted from \$1bn to just \$21m last year, according to data from the Stockholm International Peace Research Institute. During the same period, those from China have also fallen, but much more slowly, from \$747m to \$514m, making China the biggest weapons exporter to its southern neighbour.

The shift coincided with Islamabad’s growing suspicion about the closeness between the US and India, but was accelerated by the killing of al-Qaeda leader Osama bin Laden on Pakistani soil in 2011, which badly damaged relations with the US.

This year, relations deteriorated again when President Donald Trump suspended \$2bn of military aid to Pakistan, accusing it of showing “nothing but lies and deceit” in its promises to crack down on the Taliban and affiliated groups. The problem for Mr Trump is that he needs support from Pakistan as he recommits to the war in Afghanistan, and his officials are finding that Islamabad is less responsive than usual to the US message.



China's Wing Loong drone. It is thought that Beijing is supplying drones to Islamabad © MZTourist/Wikicommons/CC

Harrison Akins, a research fellow at the Howard H Baker Jr Center for Public Policy at the University of Tennessee, says: “The Trump administration’s decision to pursue sanctions against Pakistan, alongside Trump’s fiery rhetoric . . . can only push Pakistan further into the arms of Beijing — especially with Pakistan’s shift from US military supplies to Chinese military supplies.

“In the short term, this will make the US mission in Afghanistan more difficult and costly.”

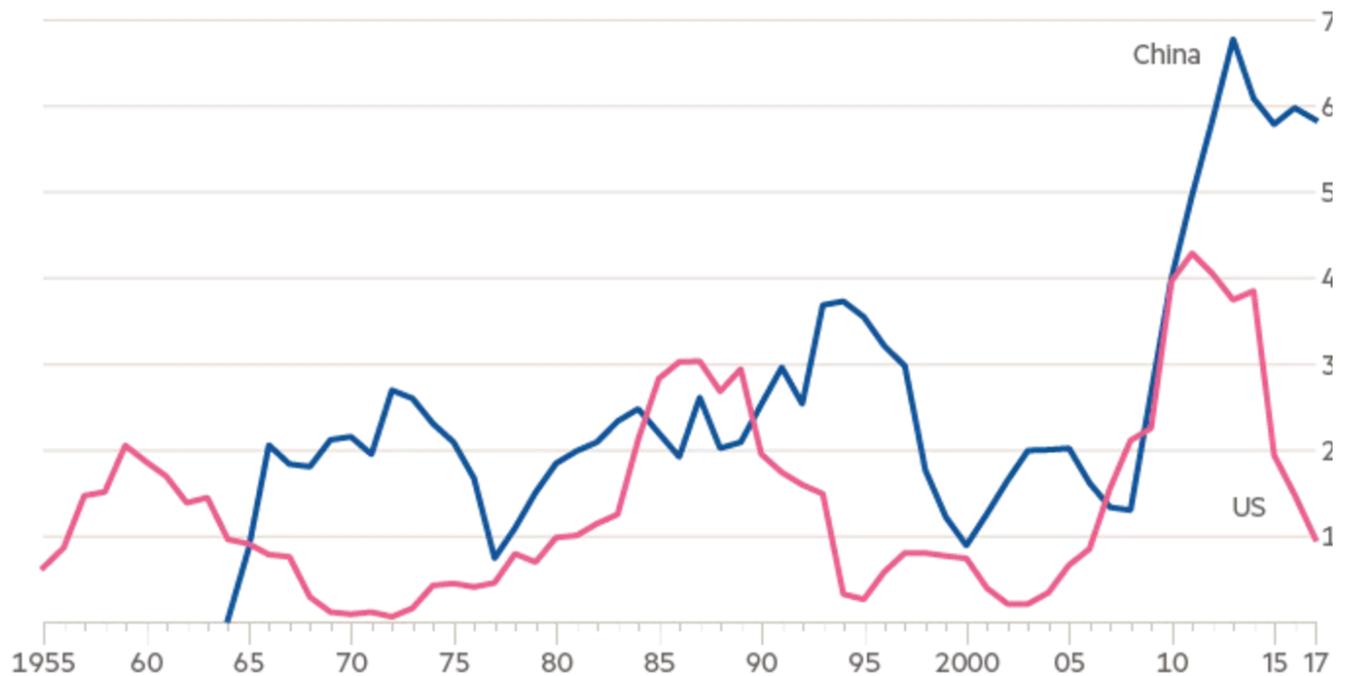
For the US, there could be longer-term consequences that stretch well beyond its complicated relationship with Pakistan. Sales of weapons systems, often backed by preferential financial terms, have become central to the way the US has managed its vast network of military alliances and partnerships — in effect, a form of patronage.

But many of those countries are now advertising their ability to buy some of that hardware from other governments. Key allies such as Saudi Arabia and Turkey have signed arms agreements with Russia. From [the Philippines](#) and Thailand in east Asia, to large parts of Africa, world leaders are also [increasingly looking to China](#) to provide the kinds of weapons they always used to buy from the US. Between 2011 and 2015, China exported 88 per cent more in weapon sales than during the previous five years, according to Sipri.

“Twenty years ago, China did not have the technology to be able to compete with the west, but now there is not much difference,” says Siemon Wezeman, a senior researcher at Sipri. “Many countries also see Chinese supplies as more secure, as Beijing does not tend to cut them off over awkward issues such as democracy or human rights.”

China emerges as leading arms supplier to Pakistan

Rolling five-year average (\$m)



Source: SIPRI
© FT

While many countries are just discovering the benefits of Chinese weapons, Pakistan has been buying from Beijing for decades, starting after the US placed an arms embargo on it in the wake of the 1965 war with India.

After that, every time Islamabad has suffered diplomatic problems with Washington supplies of Chinese weapons have risen. In the 1980s and 1990s, Beijing provided supplies and technical knowledge to help Pakistan develop its nuclear weapons, and in the early 1990s shocked Washington by [selling its neighbour](#) more than 30 M-11 missiles, capable of carrying nuclear warheads.

But the nature of the military relationship has changed in the past decade. China is now selling the kind of high-end systems in which the US once specialised to Pakistan's military, and is co-developing many others.



A Chinese-manufactured VT4 main battle tank, which is being supplied to the Pakistani army © EPA

“In the last decade, China has collaborated much more expansively with Pakistan, with the intention of providing its ally with a tactical, military-technical edge,” says Jon Grevatt, an analyst at the defence research company Jane's IHS Markit. Examples since 2010 include A-100 rocket launchers, HQ-16 air defence missile systems and VT-4 tanks, which are reportedly now [being tested](#) in Pakistan.

But three weapons systems in particular encapsulate the new Chinese capabilities, and the way in which they threaten US influence in south Asia.

The first is the JF-17 fighter aircraft. To understand why Islamabad has been so keen to develop the warplane requires a potted history of the F-16, the American-made jet, and the starring role it has always played in the melodrama of the US-Pakistan relationship.

After sending about 40 of the aircraft to Pakistan in 1983, the US [cancelled a second shipment](#) in 1990 because of concerns over Pakistan's nuclear weapons programme. The incident triggered fury in Islamabad, not least because Pakistan did not recover the money it had already spent on the aeroplanes — only receiving partial compensation in 1998.

Pakistan officials still talk about the “perfidy” they believe the US showed in 1990. They say the recent decision not to allow them to use military aid to buy a further batch is merely confirmation the Americans are not to be trusted when it comes to weapons supplies.

Selling to Pakistan



The US Air Force F-16 pilots show their close-flying skills at an airshow in Maryland © AFP

\$700m

Approximate price to Pakistan of an F-16 jet, up from \$270m, after the US removed subsidies in 2016

\$5bn

Value of 2016 deal for Beijing to sell eight attack submarines to Pakistan

\$60bn

Projects earmarked for development as part of the China-Pakistan Economic Corridor

Luckily for them, just as the US was making it more difficult to buy its weapons, Beijing was knocking on the door.

In 2007, Pakistan flew its first two JF-17s, whose parts were made in China and assembled locally. The jets were not as nimble or deadly as the American fighter, but cost about a third of the price. And crucially, China has shared the designs so the Pakistan's armed forces can build their own, and even export them.

"We buy weapons from the Americans off the shelf, but they won't share technology," says Mushahid Hussain, chairman of the Pakistani senate's defence committee.

Speaking to the Financial Times from his office in Islamabad, where his desk is adorned with Pakistani and Chinese flags, he adds: "Also, politics doesn't get in the way of things, whereas the Americans, if they are angry with us, they stop everything."



Pakistani protesters demand the US stops drone attacks in tribal areas in 2014 © AFP

If the US thought the F-16 was irreplaceable, it received another unwelcome surprise in September 2015, when [satellite images revealed](#) that an attack by Pakistani forces on Islamist militants near the Afghan border was carried out by a drone that “strongly resembled” a Chinese design, defence experts said.

While surveillance drones are simple enough to build, say military experts, ones with armed capabilities are far less easy to develop.

Washington has been so concerned about how armed drones might be used by other governments, it has refused repeated requests from Islamabad — among other countries — to buy American systems.

Some in Islamabad see the development of their own drone technology — with apparent Chinese support — as a precursor to taking a more defiant stance towards the US’s own drone strikes in Pakistan’s tribal areas.

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“Towards the end of the [Barack] Obama administration, Pakistanis would see drone attacks on their screens every night,” says Sherry Rehman, a former Pakistani ambassador to Washington. “This felt not just like an encroachment on our sovereignty, but an act of aggression.”

China’s development of armed drones is also attracting attention in the Middle East, where countries that are barred from procuring American ones have bought or have shown interest in buying from Beijing. [Experts say](#) they believe Saudi Arabia, Iraq, the UAE and Egypt have all bought them in recent years.

One deal in particular shows how ambitious the Chinese have become in their weapons sales. In October 2016, just a month after the US said it would not subsidise the sale of new F-16s, [Beijing announced](#) it would sell eight attack submarines to Pakistan for about \$5bn — the biggest single arms export deal in the country’s history.

The deal is a shot across the American bow because it could enhance Pakistan's capacity to challenge India in the Indian Ocean. At a time when Washington is relying on India to provide a bulwark against perceived Chinese maritime expansionism, experts say sales such as this pose a threat to that strategy.

“This is a headache for both the Americans and the Indians,” says Mr Wezeman.



Pakistan's former prime minister, Nawaz Sharif, sits in the cockpit of a JF-17 Thunder aircraft © AFP

In Islamabad, US officials are engaged in a blizzard of diplomacy as they try to repair the rift between the two countries. “We are not walking away. We have suspended the security assistance, but our channels of communication are open,” says one senior US diplomat.

But Pakistanis say they fear relations have hit a historic low. “The Americans are hectoring us in private now; even at the worst times that was not the case,” says one Pakistani official involved in talks with US counterparts.

Mr Hussain says: “People are bored with the US — they have given up on the US. Let them stew in their own juice. Forget about them.”

But for Islamabad, the big change in recent years has not been the rhetoric — they have seen this kind of flare-up before — but the reduction in Washington's leverage. The US has already cut back most of its aid to Pakistan — something it has been able to absorb in part because of Chinese money flowing into infrastructure projects as part of the \$60bn [China-Pakistan Economic Corridor](#). Now Washington's traditional threat that it will cancel military deals holds less sway.

“The problem for Washington is that there will come a time when you run out of levers,” says the Pakistani official. “It is best to keep options and windows open.”

If Pakistan shows that Chinese support enables it to resist US demands to do more to assist the war in Afghanistan, it will set an example for other countries.

“Arms sales have long been a tool of US foreign policy, to cement alliances and gain influence,” says Mr Wezeman. “Now that Chinese technology is competitive, if American allies start saying they prefer the terms offered by China, that spells trouble for the US.”

Additional reporting by Farhan Bokhari

Arms bazaar Pakistan aims to become an exporter

For Pakistan's defence planners, the collaboration with China on defence technology is not only about equipping their own armed services. They are also hoping they can become a significant arms exporter and, in doing so, help to boost the country's low foreign currency reserves.

Pakistani officials say that between 2014 and 2016 the country exported about \$63m of weapons, but last year [they announced](#) an intention to increase that to \$1bn a year. To do that, they say, they will focus on selling aircraft such as the JF-17, jointly made with the Chinese, to countries such as Egypt, Turkey and Nigeria. Farooq Hameed Khan, a commentator on security affairs, says: "Pakistan's close collaboration with China has helped us build our quality of weapons. Gone are the days when Pakistan only produced small arms."

Pakistan's export hopes received a big boost in 2015 when China quietly signed an agreement with Myanmar to export at least 16 JF-17s. But the terms of that deal also showed why it will be difficult for Pakistan to increase its defence exports by the amount it is targeting. Officials say the \$256m deal would have probably collapsed without China's offer of long-term credits to Myanmar — something Pakistan was not in a position to offer.

"China extended long-term credits which made this deal possible," said one senior government official in Islamabad. "The weapons systems that we make have improved over time. But our economic realities are such that we can't give loans to other countries if they want to buy our weapon systems."

One western official says: "Even if you say your products are competitive, the challenges countries face are also huge. The international arms bazaar is not an easy place." *Farhan Bokhari*

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