



Venezuelan special forces troops deplane from a Venezuelan Air Force Chinese-made Y-8F/Army University Press

Over the last decade, China has made remarkable inroads into the Latin American arms market. From almost zero in 2005 to over USD 130 million in 2014, China has carefully and systematically emerged as a major arms supplier to countries of the region and has shifted from a donor of logistics and medical equipment to a significant supplier of weapons and weapons systems.

This growth in influence most glaringly demonstrated in May 2017 when two Chinese-made Tiger armoured personnel carriers were delivered to the Bahamas, in military camouflage and equipped with tear gas dispensers and a turret capable of mounting guns. These vehicles arrived in the middle of the night and unloaded under a veil of secrecy. The Bahamas had neither floated a tender for such vehicles nor does the country have an army or an internal security situation warranting such a purchase.

## **Traditional Suppliers**

Traditionally, Latin American nations have opted for arms based on the ideology of their ruling regimes. Countries such as Nicaragua and Cuba were firmly in the Soviet camp while Peru flirted with socialism; this resulted in an influx of Soviet bloc arms such as various MiGs, Sukhoi Su-22s, T-series tanks and Soviet SAMs into these countries. The rest of the region was firmly in the Western camp as far as arms sales were concerned, and their armed forces were equipped with French combat aircraft, British ships and American transports and ageing tanks.

When the Cold War ended, Russia made some inroads into the region with increased sales to Peru and minor sales to Uruguay and considerable sales of transport aircraft and transport helicopters. However, the United States of America continued to dominate, with a brisk trade in foreign-used arms such as tanks and combat aircraft. Mention must also be made of the reasonably capable arms industries in countries like Brazil, Colombia, Peru and Chile, and Argentina retaining considerable industrial prowess despite its economic woes. This precludes the necessity of imports of basic military equipment such as small arms, ammunition and small naval vessels.

Israel has also been a major supplier of weapons and, more recently, weapons technology into the region with countries such as Argentina, Colombia, Brazil, Ecuador and Venezuela making extensive use of Israeli avionics, second-hand aircraft and missiles to upgrade their air forces. In addition, supplies of new and second-hand naval vessels and tanks have found their way into countries such as Chile and Uruguay.

## **China's Entry**

China's foray into the region's military market was initially in the form of non-lethal aid: uniforms, medical supplies, hospital equipment, engineering equipment and an extensive package of training at Chinese military academies for staff officers. This was combined with visits by a Chinese hospital ship Peace Ark in 2011 in a successful exercise of Beijing's soft power and this vessel has made several visits in subsequent years.

The impact of these initiatives, in particular, the training at Chinese academies, should not be underestimated as several officers who attended such schools have attained positions of some power and influence in their respective countries. This has also been synchronized with China's expanding economic footprint in the region. Its trade with the region rose to USD 289 billion in 2013 from only 12 billion in 2000 and it has also offered to invest over 250 billion into the region.

China's breakthrough came when Venezuela's then-President Hugo Chavez, in his quest to diversify arms supplies given a somewhat uneasy relationship with the United States, turned to Russia for Su-30MKV fighters and to China for K-8 trainers and air search radars in 2008. Subsequently, the Chavez, and later Maduro, regimes made extensive purchases from China, including transport aircraft, self-propelled artillery and armoured personnel carriers, some of which were deployed to crush protesters in 2014. The Maduro Government has indicated that it wishes to purchase more Chinese arms, but the Venezuelan economic collapse may impact these plans. Chinese armoured personnel carriers and riot-control vehicles have been instrumental in enabling the Venezuelan National Guard to quell anti-Maduro protests.

The next big success for China came in 2009 when a somewhat petulant act by a US government irritated with the left-leaning Evo Morales of Bolivia pressured the Czech

Republic to cancel the sale of L-159 light attack/ trainers which make extensive use of American technology. Following the cancellation of the deal, Bolivia, aided by a loan from China, purchased six K-8 aircraft. Subsequent Bolivian purchases include six Z-9 helicopters which operate alongside a larger force of ageing US-made helicopters and more modern European variants. Rather interestingly, Bolivia has refrained from making additional large-scale purchases of Chinese arms.

## American Reluctance



Chinese President Xi Jinping with Bolivian President Evo Morales/SCMP

The Bolivian deal highlights one of the factors for China's success - American pressure on potential Western suppliers. In addition, the US has been unwilling to transfer state-of-the-art hardware to Latin America, with only Chile and (two decades before Chavez came to office) Venezuela operating F-16s and no other modern US combat aircraft serving in the region. In fact, outside of the Chilean F-16 and some infantry equipment, Latin American militaries are equipped with an arsenal of ageing hardware in need of replacement. China's willingness to supply modern equipment at highly competitive prices makes purchases from it very attractive. China has also been willing to sell to states considered to be pariahs by the United States and its allies - such as Venezuela and Bolivia - and it is willing to offer financing packages as an additional incentive. This has enabled China to secure sales of much higher value in Africa and to a certain extent East and South-East Asia.

## China's Formula for Success

It is this combination of political determination to penetrate the market, an "agnostic" approach to regimes, a readiness to supply the entire plethora of hardware with few restrictions and the use of China's financial institutions to facilitate the purchase of military hardware that make China a formidable presence in the region.



Chinese President Xi Jinping with Venezuelan President Nicolas Maduro/AFP

China has not been averse to using its influence to subvert normal tendering and procurement processes, relying on courting leaders to secure arms deals. In two instances – Trinidad & Tobago and Argentina – deals were secured in large part because of personal connections with the respective leaders of those two countries. In the latter case, however, the change in government meant that a potentially huge deal was left to languish.

In the case of Trinidad & Tobago, the then Prime Minister, Kamla Persad-Bissessar, committed to the purchase of a 79m offshore patrol in a deal that was widely criticized, coming on the heels of a messy arbitration against BAES over the cancellation of a deal for 3 OPVs of superior quality and being concluded in the absence of any naval experts and without any evaluation. The purchase of this vessel was apparently tied to a loan of USD 5 billion being offered by China to Trinidad. Similarly, the Chinese company Huawei was awarded a contract to build a national command centre without going through the stipulated tender process.

Argentina's cooperation with China blossomed under the leadership of then President Christine Fernandez de Kirchner, while that with the United States declined. In 2014, a comprehensive strategic partnership with China was announced and in 2015 President Fernandez de Kirchner pledged to purchase 110 VN-1 8x8 armoured personnel carriers, five 1,800-ton P-18A Malvinas-class OPVs, and 14 Chengdu Aircraft Corporation (CAC) FC-1/JF-17 Thunder multi-role fighters.

If pursued, this deal would have been the largest Chinese arms deal ever in Latin America. But with a new government in power in Buenos Aires, these plans failed to come to fruition, partly because the centre-right government of Mauricio Macri may seek to pull Argentina's foreign policy away from alignment with Russia, China and the ALBA alliance. These two examples highlight the potential drawbacks of finalizing arms deals through personal relationships as a change of government could jeopardize such arrangements.

## Conclusion

While it is certainly true that China has not always had its own way with defence deals in Latin America – with Peru and Ecuador cancelling planned purchases – it is nonetheless true that China's inroads into the region have been remarkable. This has serious implications for the region and for those seeking to limit or at least moderate Chinese influence in the region. Concern and focus have been placed on China's trade, investment and other economic activity in Latin America. But, to date, little assessment has been made on the

impact of China's military sales to the region with respect to the building of influence and the subtle forging of alliances that could inevitably follow.

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