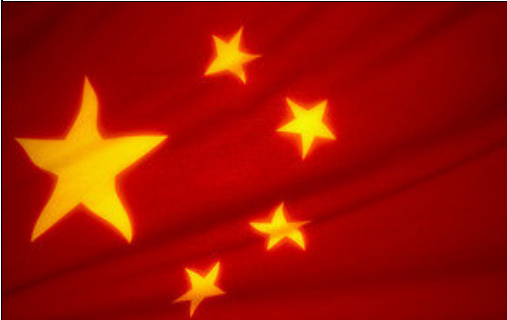




Defense Services



CHINA

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1.1 CHINA'S MILITARY EXPORTS FROM 2000 TO 2014

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Sectoral Snapshot

Report: Defense Services in China

Chinese People's Liberation Army (PLA) is the military forces of People's Republic of China Forces, and it operates under the Central Military Commission (CMC). In the recent past, this industry has seen a lot of growth by the virtue of abundant funding by state, pent-up domestic demand, and access to and understanding of technological advancements in aircrafts, missiles, shipbuilding, etc.

fig 1.1

The listed total rounded values of China's military exports from 2000 to 2014.

YEAR	TOTAL VALUE	YEAR	TOTAL VALUE	YEAR	TOTAL VALUE
2000	\$302,000,000	2005	\$281,000,000	2010	\$1,459,000,000
2001	\$515,000,000	2006	\$643,000,000	2011	\$1,336,000,000
2002	\$518,000,000	2007	\$479,000,000	2012	\$1,666,000,000
2003	\$693,000,000	2008	\$591,000,000	2013	\$2,068,000,000
2004	\$386,000,000	2009	\$1,138,000,000	2014	\$1,083,000,000

Source: Stockholm International Peace Research Institute (SIPRI)

BUSINESS INSIDER

Source: *businessinsider.com*: Rounded total values of China's military exports from 2000 to 2014

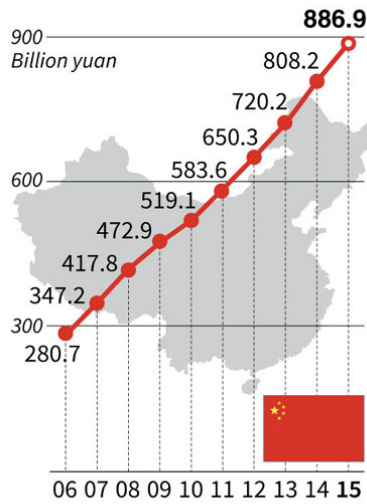
China's arms export has been booming over the recent years. It's world ranking has risen from 9th in 2005-2009 period to 3rd in 2010-2014 period. However, despite these increasing export figures, China still contributed only 5% to the global arms trade.



fig 1.2

China defence

Official annual budget



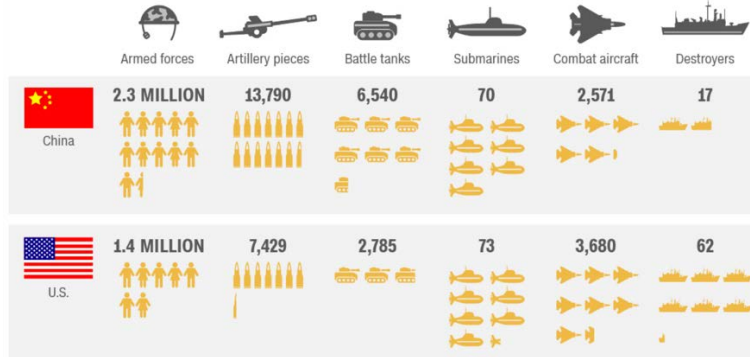
Source: Government



Source: chinadailyasia.com: China defense annual budget by year

fig 1.3

CHINA AND U.S.: HOW THEY COMPARE



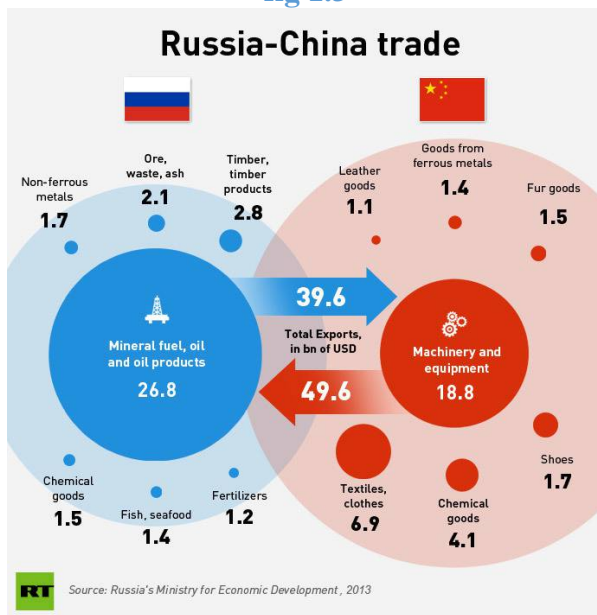
Source: Military Balance, 2015, International Institute for Strategic Studies

Source: chinadailyasia.com: China and US comparison on defense system

- In recent past, PLA has also stepped up to participate in U.N. peace-keeping initiatives for countries such as South Sudan, as opposed to its traditional practice of protecting its own borders. Additionally, its missions also include fighting piracy in Somalia.
- China has reclaimed a lot of land by transforming sandbars into islands that now host airstrips, ports, and missiles.
- Malaysia and China are expected to join hands on military efforts, and fight against extremism, terrorism, kidnappings, and other criminality.
- This venture may further augment as the exchange of intelligence and the formation of a secured communication link.
- China and Pakistan's collaborations date back to as early as 1950s, after China was formed in 1949.

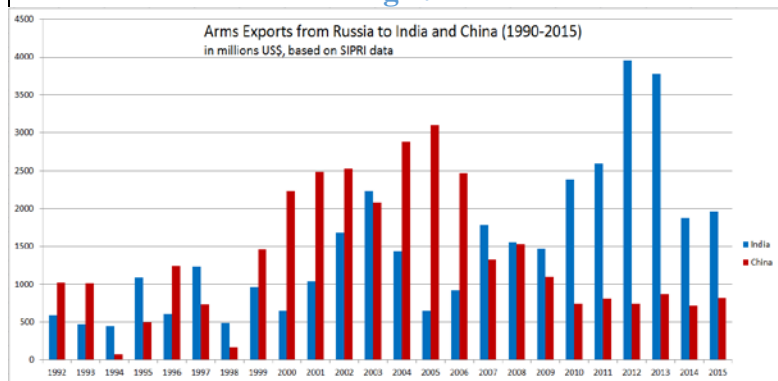


fig 1.3



Source: ztop.sk: Russia-China's Defense Expenditure (US \$ Billion) 2011-2016

fig 1.4



Source: thediplomat.com: Arms exports from Russia to India and China

- The military assistance between China and Pakistan started in 1966, which eventually led to a strategic alliance in 1972.

- China has also signed a defense agreement with Iran, which covers expansion of defense-military collaboration and sharing military experiences. According to the heads of the Iran and China's military delegations, the common interests of the two countries and their understanding of various global and regional issues, led to this military cooperation.

- China has bilateral relations with Russia too. The main motivation behind this collaboration is the common wish to push back against U.S.' expansion of NATO in Europe and its rebalance in the Asia-Pacific.

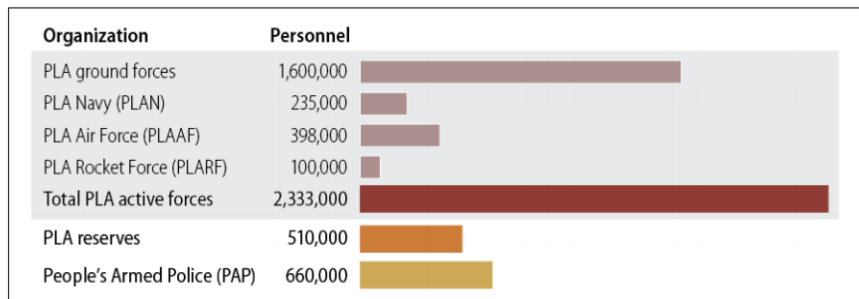
- The sanctions that the United States and Europe imposed on Russia, hampered its economy a lot and Russia needs markets for its energy export, especially gas. Amidst this, China struck a deal with Russia to import gas from it. Additionally, China is a huge market for Russian weapons and technology.



fig 1.5

Figure 1. Chinese Military and Security Personnel

Figures are approximate



Source: *The Military Balance 2016*, International Institute for Strategic Studies (London: Routledge, 2016).

Source: *businessinsider.com*: Chinese Military and Security Personnel

Resources

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- China's military is developing defensive missiles to prepare for its future missile-dominated conflict with the United States.

- China has over 2.3 million in active service, with 1.1 million as reserves and military police.

- According to the US Department of Defense, China has plans to increase its submarine fleet from 62 to as many as 78 by 2020.

- Additionally, fifth-generation aircraft, the J-20 and J-31, which are said to rival the US's coming F-35 Joint Strike Fighter, are also being developed by China.