

Southeast Asian Military Acquisition under the China-Quad Dynamics

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Between Scylla and Charybdis: Is there a Middle Path for Middle Powers in the Indo-Pacific
Region?

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Abstract: As an indicator of great power strategic competition, military equipment acquisition, by Southeast Asian middle powers, from either China or the Quad countries, represents an approach to analyse the countries' positions and the geopolitical landscape of the Indo-Pacific. Currently, under the respective spheres on both sides, Beijing has some opportunities to expand its influence, but it is unlikely to significantly reshape the status quo, as the regional countries also have Russian, European, Korean and other arms sources. Thus, military acquisition will not become a primary area of competition between China and the Quad. However, the middle powers Malaysia, Thailand and the Philippines are ripe for exploitation.

Keywords: China, Indo-Pacific, Malaysia, middle power, military acquisition, Philippines, Quad, Southeast Asia, Thailand, US

Introduction

The acquisition of military equipment by Southeast Asian countries is a useful indicator of the geopolitical dynamics in the Indo-Pacific region. Since the Indo-Pacific has reappeared as a major term for the foreign policies of the Quad states, namely Australia, India, Japan, and the United States of America (US), China has been mentioned as the challenger to the status quo.¹ In the Indo-Pacific region, the geostrategic importance of Southeast Asia is obvious for its location between the Indian and Pacific oceans. Complementary to this, Southeast Asian countries have increasing demands for arms to modernise and expand their militaries subsequent to the end of the Cold War, and such demand is beyond the capacity of their indigenous defence industries.

Thus, Southeast Asian military equipment acquisition is highly connected to the international market, of which both China and the Quad have a considerable share. Arms deals reflect bilateral political trust, cost, and quality, in addition to strategic and operational conditions. The distribution of Southeast Asian military acquisition from the sources of China and the Quad thus displays influence within the regional landscape. Undeniably, other facets of security ties between Southeast Asian countries and external powers, such as joint military exercises and meetings, are also important indexes, but the related materials of these are more difficult to compare in both scale and function.

The Geopolitical Landscape

Under the banner of military modernisation, the last three decades have diversified and expanded the needs of the Southeast Asian militaries. During the Cold War era, the regional countries had established their military capacity with specific tasks and suppliers corresponding to their political position within the bipolar confrontation (e.g., Vietnam sourced from the Soviet Union). Subsequently, the changing external and internal environments have altered the alignment of, and types of military acquisition in Southeast Asia. On the one hand, some deals in the region are aimed to expand capabilities previously covered by Superpower bangwagoning. Submarines for example have been in demand to fulfil new national interests in the maritime domain. In addition, later generations of fighter aircraft and surface combatants have been sought to improve existing capabilities. On the other hand, used or rather simple assets, such as utility helicopters have been introduced to retain some capabilities that would have been lost due to a lack of Cold War foreign military aid; and also the need for the operations other than wars, such as search and rescue, monitoring of exclusive economic zones, and trade related needs. Thus, the diversity

¹ 2017 *Foreign Policy White Paper* (Canberra: Australian Government, 2017), 3-4, 25-45; “Free and Open Indo-Pacific,” Ministry of Foreign Affairs of Japan, <https://www.mofa.go.jp/files/000430632.pdf>; Huma Siddiqui, “India’s concept of Indo-Pacific is inclusive and across oceans,” Ministry of External Affairs Government of India, November 08, 2019, <https://mea.gov.in/articles-in-indian-media.htm?dtl/32015/indias+concept+of+indopacific+is+inclusive+and+across+oceans>; *A Free and Open Indo-Pacific Advancing A Shared Version* (Washington D.C.: Department of State, 2019), 21-23.

reflects the different economic capacity, geostrategic and historical circumstances, broad development strategies, and other conditions of the regional countries. As a result, China and the Quad countries supply whole systems, subsystems and munitions to different Southeast Asian countries as shown in Table 1.²

Table 1: The Comparison of Southeast Asian Major Military Assets and Subsystems from China and the Quad³

	China	Australia / India / Japan	United States
Brunei		AU: 7 LC,	2 TP, 16 UH,
Cambodia	4 PC, 4 TA, 50 PSM, 12 UH		
Indonesia	4 UAV, 12 NG, 128 ASCM, 9 FCR, 13 ASR, 330 PSM, 8 AD, 4 MLR, 4 AAG.	AU: 4 MPA, 53 APC, 19 TA	4 UAV, 88 TP, 22 DE, 11 SO, 2 MPR, 125 AAM, 32 AR, 37 UH, 25 FA, 2 TRA, 8 AH, 320 ATM, 12 LA, 2 LH, 18 ASM, 180 JE
Laos	2-4 UH, 4 TA, 9 LA, 10 APC, 3 SPH, 12 MLR, 3 AD, 50 SAM		
Malaysia	4 OPV, 64 PSM,	AU: 3 UAV.	4 MPA, 8 FA, 24 TP, 303 DE, 1 LST, 29 ASCM, 8 MPR, 18 AR, 9 TA, 30 ASM, 110 AAM, 110 GB, 1 LST, 6 LH, 24 SPG
Myanmar	12 UAV, 23 NG, 2 FS, 3 FG, 10 PC, 6 FAC, 185 ASCM, 10 FCR, 7 ASR, 200 PSM, 440 AAM, 40 FA, 24 AAG, 50 LT, 2 LA, 6 TA, 70 MLR, 125	IN: 5 MPA, 10 TO, 5 ASR, 3 SO, 2 UH, 10 APC, 10 MBT, 5 LA, 6 TRA	

² SIPRI Arms Transfers Database, http://armstrade.sipri.org/armstrade/page/trade_register.php

³ Abbreviations of Assets and Systems: CIWS: Close-in weapon system; MPA: maritime patrol aircraft; TP: turboprop engines; DE: diesel engines; OPV: Offshore patrol vessel; LC: landing craft; NG: Naval gun; FS: corvette; FG: frigate; PC: patrol craft; SS: diesel submarine; LST, landing ship tank; LSV: logistic support vessel; GT: gas turbine; GR: guided rocket; TO: torpedo; FCR: fire control radar; ASR: air search radar; SSR: sea search radar; SO: sonar; MPR: maritime patrol radar; UH: utility helicopter; PSM: portable surface-to-air missile; FA: fighter aircraft; ASH: Anti-Submarine helicopter; APC: armoured personnel carrier, TA: transport aircraft; AD: air defence system; NG: naval gun; MLR: multi-launch rocket; AAM: air-to-air missile; AR: aircraft radar; TRA: training aircraft; JE: jet engine; AH: attack helicopter; ATM: anti-tank missile; LH: light helicopter; LA: light aircraft; ASM: Air-to-surface missile; SAM: surface-to-air missile; GB: guided bomb; LST: landing ship tank; SPG: self-propelled gun; AAG: anti-aircraft gun; MBT: main battle tank; ATV: anti-tank vehicle; IFV: infantry fighting vehicle; CH: transport helicopter; KC: aerial refuelling aircraft; HW: Howitzer.

	MBT, 160 APC, 64 TRA, 6 SPG, 10 AAG, 100 ATV, 76 IFV, 200 SAM, 4 AD,		
Philippines		JP: 5 MPA; AU: 5 LC	8 UAV, 2 TP, 2 LSV, 3 OPV, 1 PC, 28 LA, 33 LH, 88 UH, 187 APC, 24 IFV, 3 TA, 1 ASR, 2 LA, 19 DE
Singapore			9 F-16A/B, 102 FA, 12 UAV, 8 ASH, 516 GR, 194 ASCM, 6 SO, 3030 DE, 200 ATM, 107 ASM, 1 ASR, 886 AAM, 28 CH, 4 KC, 20 AH, 1061 GB, 15 APC,
Thailand	6 FG, 2 OPV, 1 SSK, 138+ ASCM, 82 GR, 22 MLR, 122 AAG, 25 FCR, 1 AD, 50 SAM, 52 MBT, 34 IFV		3 MPA, 40 FA, 4 NG, 2 FG, 8 GT, 5 TO, 56 ASCM, 10 MPR, 9 ASR, 110 APC, 3 CH, 253 MBT, 20 SPG, 6 TP, 50 GB, 4 TA, 123 AAM, 20 LA, 79 UH, 265 ATM, 4 AH, 54 HW, 21 DE, 16 LH, 2 AD, 23 SAM,
Vietnam		IN: 4 PC;	1 OPV

The table displays the military assets acquired from China and the Quad and how they are distributed to the respective users. It should be pointed out that, among the four Quad countries, the US supplies the largest amount of arms, with the other three playing only marginal but increasing roles: Australia and Japan provide used assets as aid, and India both sells and aids a few regional countries. In other words, the main theme is presently the Sino-US comparison. From the perspective of the consumers, Cambodia, Laos, and Myanmar have been continuous customers receiving Chinese weaponry, and Brunei, the Philippines and Singapore are major users of US supplied equipment. Interestingly, Indonesia, Malaysia and Thailand connect the two great power supply spheres. Although Vietnam is slightly predisposed to the Quad, its individual conditions tell another story.

Such preferences signify regional countries' individual characteristics, such as economy, history, and foreign policies not simply alignment with great powers. In addition, because of their capacity to conduct international relations, the importance of middle powers within the great power competition, is larger than the small powers.⁴ The limited budgetary capacity of small

⁴ Lowy Institute, "Asia Power Index," Lowy Institute, (October 2020). <https://power.lowyinstitute.org/>; Jonathan Ping, *Middle power statecraft: Indonesia, Malaysia and the Asia-Pacific*, (London: Taylor and Francis 2017).

powers, Phnom Penh and Vientiane, as well as their strong ties with Beijing, for example, explain their preference for hardware from the latter.⁵ Thus, China's arms supply to them is not massive, merely small numbers of assets which would not form complete forces capable of altering the balance of power in Indochina. The decades of sanction by Western countries allowed China to be a major arms supplier to Myanmar.⁶ In contrast to the supply to Phnom Penh and Vientiane, Beijing has transferred many more assets to Naypyidaw and they generally constitute the three services of the Tatmadaw.⁷ China's favours to small power Myanmar may be related to the latter's strategic location bordering the Indian Ocean.

The Philippine's military alliance and other historical ties to the US, plus its limited financial capacity explain Manila's significant dependence on military aid, mainly used stuff, from Washington.⁸ Although the China-friendly Duterte administration has begun to receive arms from China and Russia, major assets have not been on the transfer list yet.⁹ Currently, Manila's termination of the Visiting Forces Agreement with Washington may weaken the bilateral military ties, thus causing less transfer from the latter to the former.¹⁰ However, since Duterte's term will end in 2022, his successor may reverse the anti-US policy, and by repairing the bilateral relations, military transfers could be subsequently resumed. The Philippines domestic vacillation is thus an opportunity for it to be flipped by one great power or the other.

Despite a lack of formal alliances, Singapore's strategic partnership with the US is an important pillar of the former's security policy, as well as its rather ample defence budget, resulting in the extensive military procurements of US assets.¹¹ In addition, the Singaporean defence industry

⁵ Edgar Pang, "“Same-Same but Different”: Laos and Cambodia's Political Embrace of China," Yusof Ishak Institute, September 5, 2017, https://www.iseas.edu.sg/images/pdf/ISEAS_Perspective_2017_66.pdf; Paul Eckert, "China \$100 Million Military Aid To Cambodia Amid Crackdown Raises Concerns," Radio Free Asia, June 19, 2018, <https://www.rfa.org/english/news/cambodia/china-cambodia-06192018171244.html>

⁶ Maung Aung Myoe, *Building the Tatmadaw* (Singapore: Institute of Southeast Asian Studies, 2009), 1-2.

⁷ Shakeeb Asrar, "Who is selling weapons to Myanmar?" *Aljazeera*, September 17, 2017, <https://www.aljazeera.com/indepth/interactive/2017/09/selling-myanmar-military-weapons-170914151902162.html>; Aung Zaw, "Myanmar Seeks Advanced Weapons from Russia, but China Remains the Key Player," *the Irrawaddy*, January 25, 2018, <https://www.irrawaddy.com/opinion/commentary/myanmar-seeks-advanced-weapons-russia-china-remains-key-player.html>

⁸ "External Affairs," Jane's Sentinel Security Assessment - Southeast Asia, June 11, 2018, <https://www.janes.com/region/asia-pacific/archive>; "U.S. Relations With the Philippines," U.S. Department of State, January 21, 2020, <https://www.state.gov/u-s-relations-with-the-philippines/>

⁹ "China Gives Millions of Dollars in Weapons to the Philippines to Fight Daesh," *Sputnik*, July 2, 2017, <https://sputniknews.com/military/201707021055163637-china-gives-philippines-weapons-aid-against-daesh/>; Patricia Lourdes Viray, "Russia donates military equipment to Philippines," *Philstar Global*, October 25, 2017, <https://www.philstar.com/headlines/2017/10/25/1752333/russia-donates-military-equipment-philippines>

¹⁰ Frances Mangosing, "PH military caught in a bind as VFA termination pushed," *the Inquirer*, January 27, 2020, <https://globalnation.inquirer.net/184561/ph-military-caught-in-a-bind-as-vfa-termination-pushed#ixzz6E1tpUBrG>

¹¹ Prashanth Parameswaran, "Strengthening US-Singapore Strategic Partnership: Opportunities and Challenges," *RSIS Commentary*, CO16201, August 8, 2016, <https://www.rsis.edu.sg/rsis-publication/rsis/co16201-strengthening-us-singapore-strategic-partnership-opportunities-and-challenges/#.XkZZxfZuJ9A>; *Military Balance 2019* (London: International Institute for Strategic Studies, 2019), 303.

relies on US subsystems, mainly diesel engines, for its several models of armed vehicles.¹² With the small-sized of Brunei's armed forces, relatively good financial conditions and the deep defence ties with Britain, it introduced all western arms, including many US ones.¹³ Hanoi with its Cold War legacy retains strong bilateral relations with Moscow, including those in the defence sector, evidenced in predominant military procurements from the latter.¹⁴ Therefore, it is not easy for Vietnam to shift its major arms source to the Quad, not to mention to China.¹⁵

The three Southeast Asian middle powers (Indonesia, Malaysia and Thailand) that patronise both Chinese and US assets will be key points for competition. Suffering under sanctions imposed by Washington between 1992 and 2005 made Jakarta diversify its arms sources, including to the Chinese ones.¹⁶ The Chinese military products exported to Indonesia are mainly air defence systems and naval subsystems, including anti-ship cruise missiles. The US equipment in the Indonesian arsenal is far more comprehensive. Furthermore, a failed missile test during an exercise in 2016, and most importantly, deteriorating bilateral relations in the South China Sea will impede Beijing from exploring the Jakarta opportunities.¹⁷

Malaysia may be another case of Beijing's breakthrough with portable surface-to-air missiles (PSMs) and four littoral mission ships (LMSs), in addition to the Pakistani PSM and anti-tank missiles of Chinese design.¹⁸ The LMSs, under the Malaysian Navy's "15 to 5" plan, will cover various functions, including minesweeping, and it suggests the significance of this in the maritime blueprint.¹⁹ Kuala Lumpur, with its present financial difficulties, is further considering the Chinese-Pakistani JF-17 fighters for reasons of both total cost and terms of payment.²⁰ If this deal is achieved, China's geopolitical influence would be strengthened regarding Malaysia's location both in the South China Sea and the Malacca Strait.

¹² SIPRI Arms Transfers Database; "The Terrex Family," ST Engineering, https://www.stengg.com/media/617426/stels_terrex-infantry-fighting-vehicles.pdf

¹³ *Military Balance 2019*, 253-254; SIPRI Arms Transfers Database.

¹⁴ "Vietnam places orders for Russian weapons worth over \$1 billion: TASS," *Reuters*, September 8, 2018, <https://www.reuters.com/article/us-vietnam-russia-arms/vietnam-places-orders-for-russian-weapons-worth-over-1-billion-tass-idUSKCN1LO08K>

¹⁵ "US Tries to Convince Vietnam to Abandon Russian Arms Deals – Reports," *Sputnik*, February 8, 2018, <https://sputniknews.com/asia/201802081061466666-us-vietnam-russia-arms/>

¹⁶ Scott Morrissey, "U.S. Lifts Indonesia Arms Embargo," Arms Control Association, Jan.-Feb. 2006, https://www.armscontrol.org/act/2006_01-02/JANFEB-Indonesia; Mark G. Rolls, *The 'Arms Dynamic' in South-East Asia During the Second Cold War* (Burlington: Ashgate, 2002), 126.

¹⁷ Joe Cochrane, "Indonesia Unveils New Military Drones as Feud Over South China Sea Incursions Escalate," *South China Morning Post*, January 6, 2020, <https://www.scmp.com/week-asia/politics/article/3044761/indonesia-unveils-new-drone-eye-chinas-incursions-south-china>; Kevin Knodell, "The Simple Reason the World Isn't Buying All of China's Fancy Weapons (At Least Not Yet)," *the National Interest*, December 25, 2016, <https://nationalinterest.org/blog/the-buzz/the-simple-reason-the-world-isnt-buying-all-chinas-fancy-18857>

¹⁸ SIPRI Arms Transfers Database.

¹⁹ "Malaysia's second Keris-class littoral mission ship Sundang launched in China," *Naval Today*, July 12, 2019, <https://navaltoday.com/2019/07/12/malaysias-second-keris-class-littoral-mission-ship-sundang-launched-in-china/>

²⁰ Mike Yeo, "Commentary: Palm oil for fighter jets? The illusion of defence in Malaysia," *Channel News Asia*, May 8, 2019, <https://www.channelnewsasia.com/news/commentary/malaysia-palm-oil-for-fighter-jets-illusion-of-defence-deterren-11509950>

Although Thailand has often been an example of a shift towards China, it has been a user of both Chinese and US assets since the last decade of the Cold War. The Sino-Thai military ties have remained through the last three decades, paving the way for several major deals after the coup of 2014.²¹ In parallel, Bangkok nevertheless has still reached a few deals with Washington as well, such as Stryker infantry carriers and AH-6 helicopters.²² In short, Malaysia and Thailand would be the most likely to move within the above table's pictured landscape of Southeast Asian military procurement, but the picture is actually far more complex than it may appear.

Most Southeast Asian arsenals are comprised of equipment sourced from states other than China and the Quad, and this common practice narrows the influence of arms supply from any specific external power. Cambodia, Laos, and Myanmar, the three main users of Chinese arms, have developed their respective alternatives. Cambodia obtained second-hand assets from Eastern Europe, Laos obtained Russian supplies, and Myanmar also expanded its supplies and procurement to include Russia, Israel and Serbia.²³ Despite its long-term dependence on Washington's military aid, Manila also finds other sources of arms, such as from Seoul (and as noted above).²⁴ Since the regional countries with a clear inclination of obtaining arms from either China or the US have demonstrated their ability to source alternatives, others also adopted similar approaches in diversifying their arms sources worldwide. Hence, as Vietnam quietly procures Israeli and Canadian assets as opposed to Russian sourced items, the rest of Southeast Asian countries have considerable deals with European suppliers.²⁵ Such diverse approaches will pose a significant operational and integration burden on the regional militaries, but their dynamic arms acquisition will consequently make them less exposed to the accelerating great power competition in the Indo-Pacific and, intentional or not, fits with the ethos of ASEAN.

Prospects for the Future

Based on its revisionist attitude towards the status quo, it would be strategic for China to expand its influence with the Indo-Pacific middle powers,²⁶ but its military exports to Southeast Asia have not, as yet, significantly assisted with this goal. Although Kuala Lumpur, Manila and Bangkok present certain opportunities for Beijing to explore, the former would not have a motive

²¹ Ian Storey, "Thailand's Military Relations with China: Moving from Strength to Strength," *Prospective* 2019, no. 43 (May 27, 2019), https://www.iseas.edu.sg/images/pdf/ISEAS_Perspective_2019_43.pdf

²² "Thailand," Defense Security Cooperation Agency, <https://www.dsca.mil/search/node/Thailand>

²³ SIPRI Arms Transfers Database; Luke Hunt, "Russia Touts Arms Across Southeast Asia," *Voa News*, January 18, 2020, <https://www.voanews.com/east-asia-pacific/russia-touts-arms-across-southeast-asia>

²⁴ Prashanth Parameswaran, "South Korea-Philippines Military Ties in Focus With New Firearms Deal," *the Diplomat*, October 10, 2018, <https://thediplomat.com/2018/10/south-korea-philippines-military-ties-in-focus-with-new-firearms-deal/>; SIPRI Arms Transfers Database.

²⁵ SIPRI Arms Transfers Database.

²⁶ Jonathan Ping, "Middle Power Hybridisation and China," in *Rethinking Middle Powers in the Asia Century: New theories, new cases*, ed. Tanguy Struye de Swielande; Dorothee Vandamme; David Walton; Thomas Wilkins, (Milton: Routledge, 2019).

or the financial power to vastly replace the Western equipment in their arsenals, with Chinese provisions. Undeniably, China may employ the Belt and Road Initiative to provide cover for subsidised best price sophisticated weapons systems to Southeast Asian countries, like the Soviet Union did during the Cold War, and those with limited budgets may be willing to accept.

However, this pattern may not be feasible for at least three reasons: firstly, the international atmosphere is economy-oriented, distinct from conflict-centred during the Cold War and ASEAN is still, and now, a more effective bulwark. Thus, receivers may not have a great appetite for Chinese arms. In comparison, infrastructure projects under the Belt and Road Initiative would be far more attractive. Secondly, it will take time for the Chinese arms to establish a reputation and niches in the global market, including with the current and potential Southeast Asian customers. Finally, the Chinese defence industry has to put demand from the Chinese Communist Party and its People's Liberation Army as the top priority, and the latter's grand plans of modernisation require the former's large capacity, possibly for decades to come. As a result, the Quad, especially the US, is unlikely to change its arms sales and military aid to Southeast Asia due to strategic competition with China. However, an Indo-Pacific great power contest for specific middle power states military procurement, their attendant loyalty or economically driven submission, to a specific great power, is a viable proposition.