

An arms race in Southeast Asia? Changing arms dynamics, regional security and the role of European arms export

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Veröffentlichungsversion / Published Version

Arbeitspapier / working paper

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Stiftung Wissenschaft und Politik (SWP)

Empfohlene Zitierung / Suggested Citation:

Heiduk, F. (2017). *An arms race in Southeast Asia? Changing arms dynamics, regional security and the role of European arms export*. (SWP Research Paper, 10/2017). Berlin: Stiftung Wissenschaft und Politik -SWP- Deutsches Institut für Internationale Politik und Sicherheit. <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-53802-3>

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SWP Research Paper

Stiftung Wissenschaft und Politik
German Institute for International
and Security Affairs

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An Arms Race in Southeast Asia?

Changing Arms Dynamics, Regional Security
and the Role of European Arms Exports

RP 10
August 2017
Berlin

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ISSN 1863-1053

Translation by Tom Genrich

(English version of
SWP-Studie 11/2017)

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**An Arms Race in Southeast Asia?
Changing Arms Dynamics, Regional Security and the
Role of European Arms Exports**

Southeast Asia is building up arms rapidly. According to data published by the Stockholm International Peace Research Institute (SIPRI), military spending in the region increased by over five percent on average in 2015. If we look at the region's arms dynamics over ten years, it becomes even clearer why the possibility of an "arms race" in this part of the Asian continent increasingly occupies political, scientific and media attention: over the past decade (2006–2015), military expenditure in Southeast Asia has risen by 57 percent on average.

In absolute terms (in constant 2014 US dollars), Vietnam, Indonesia and Cambodia more than doubled their spending on the military between 2005 and 2015. In countries such as Thailand and the Philippines, military expenditure also rose sharply. Arms imports by individual Southeast Asian states show a similar picture. For the period 2011–2016, Vietnam was even in the top ten of the world's biggest arms importers (in eighth place, with a total volume of US\$ 4.1 billion). Compared to the period 2006–2011, Vietnam's arms imports increased almost sevenfold. Thailand's arms imports more than quintupled between the five-year periods 2006–2011 and 2011–2016, while Indonesia's doubled.

The primacy given to military matters and the associated change in the arms dynamic suggests that the phase of relative stability and security in the region, which has lasted since the end of the Sino-Vietnamese War in 1979 and been termed 'ASEAN's long peace', is coming to an end. Further indicators are the persistence of territorial conflicts between many of the region's states; increasing nationalism; distrust of the neighbouring states' strategic intentions; and the growing rivalry between China and the US. One of the most common reactions by almost all Southeast Asian states to these developments is to build up their military capacities. It is precisely this reflex, however, that is often perceived by the other states as a potential security threat, regardless of the 'real' intentions. The security dilemma thus created could lead to an arms race that would massively destabilise the region as growing tensions between increasingly well-armed states can have consequences that are difficult to calcu-

late, for instance in the South China Sea with its many conflicts. This would also have a direct impact on Europe since a majority of its trade with Asia – which is crucial for the world economy – uses shipping lanes in these waters.

Against this backdrop, the study will begin by addressing whether Southeast Asia is in fact currently experiencing an arms race. Its second part will analyse the consequences of the changing arms dynamic on regional stability by giving an overview of military spending in eight Southeast Asian states: Indonesia, Cambodia, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. The case selection is intended to ensure that the study's empirical findings mirror the region's heterogeneity and enhance the representativeness of the findings. The countries under study thus represent Indochina and maritime Southeast Asia; democracies and autocracies; highly and less highly developed economic systems; and actors who are either engaged in territorial conflicts with China or not.

China's increasingly aggressive behaviour in the Pacific is frequently cited as the trigger for the leap in arms purchases in Southeast Asia. In particular, observers point to China laying claim to large areas of the South China Sea and to growing doubts over the US's commitment in case of conflict as having set off Southeast Asia's shopping spree for arms. As the study will show, however, in almost all cases other domestic and foreign-policy factors besides the 'China factor' have also been decisive for the rise in military spending: lasting territorial conflicts between Southeast Asian states; internal revolutionary movements; and the powerful political influence of the military in nearly all the examined nations. Furthermore, the study will demonstrate that the changed arms dynamics cannot be interpreted as a classical arms race since they have neither taken the shape of a competitive pattern of action/reaction nor significantly altered the military balance of power in the region. However, the arms build-up in Southeast Asia is not merely a modernisation of outdated arsenals to safeguard the status quo either. Almost all of the eight states under study have built up their military capacities, especially for their navies and air forces. This armament has not brought them conventional military superiority but (frequently asymmetrical) military capacities intended to curtail the freedom of movement and strategic options of perceived enemies.

Even if no direct link can be shown to exist between an arms race and an increasing likelihood of the

outbreak of violent conflict, this does not mean that the region of Southeast Asia is gaining in stability through the current arms build-up. On the contrary, the changing arms dynamics have contributed, first, to a rise in threat perceptions and distrust of the respective neighbour's 'real' intentions. Second, these suspicions are further stoked by the lack of transparency in armament policy, since there are no binding regional agreements on arms control, and international arms control treaties are regularly circumvented. Third, in the context of expanded military capacities in the region, national security forces are increasingly involved in clashes with each other. Against this backdrop, Germany and many of its European neighbours would be well-advised to rethink both their role as arms suppliers to Southeast Asia and their general outlook on the region much more strategically. After all, many of the armaments bought by Southeast Asian states in recent years were manufactured in Europe. As a consequence, Germany and some of its European neighbours have a direct stake in the region's armament. For the time being, however, they continue to view the arms trade with Southeast Asian buyers primarily from an economic perspective. This, and a simultaneous lack of a political or strategic discourse on the consequences of such arms exports, is especially surprising in the case of arms exports to the littoral states of the South China Sea. After all, parts of Southeast Asia, and in particular the South China Sea, are recognised by Europe as being conflict zones and geopolitical hotspots.

Arms Dynamics in Southeast Asia: An Overview

Given the rapid rise of arms purchases in Southeast Asia, journalists in particular often refer to an “arms race” in the region. Under the definition proposed by Colin S. Gray, an arms race takes place if two or more hostile parties quickly increase or improve their weaponry and orientate their respective defence policies on the past, present or anticipated military and political behaviour of their opponent.¹ According to Gray, four elements characterise an arms race:

1. an antagonism between two or more parties who are aware of this enmity;
2. a tendency of these parties to structure their respective armed forces in a way that makes them effective in confrontations with the opponent or deters the opponent from initiating a conflict;
3. a qualitative and/or quantitative military rivalry triggered by this, which
4. goes hand in hand with a rapid quantitative expansion and/or qualitative improvement of military capacities.²

In other words, an arms race is a cycle of action and reaction, in which country A rearms, prompting country B into following suit. This sets off a spiral of arms build-ups from which the two opponents feel they cannot escape without endangering their respective national security. Their goal at all times is to change the military balance to their own benefit.

However, a rapid rise in military expenditure is not in itself an indicator of an arms race. Rather, a country's arms dynamic evolves in a continuum of arms race, arms rivalry, maintenance of the status quo or modernisation, and disarmament.³ As a consequence, rising military spending can also, for example, indicate that existing weapons systems are being modern-

ised. A change in a country's arms dynamic does not necessarily lead to an uncontrolled arms race.

What are the reasons behind a step change in the arms dynamic? Generally, we can differentiate between domestic and foreign-policy factors. Examples of domestic factors are the availability of resources for the defence sector, which are closely tied to the country's economic development and the level of state revenues; and the internal security situation and influence of the armed forces on the nation's political and financial decision-making processes. External factors include the country's regional geostrategic position in the context of the (changing) political, financial and military role of external actors; a policy of maintaining or increasing one's national and military prestige and status compared to other states; and the existence of inter-state conflicts.⁴

In the context of the Southeast Asian arms build-up, we also need to differentiate roughly between developments before and after the Asian crisis. The Asian crisis of 1997–1998, which initially manifested itself as a crisis in the region's economic, currency and financial systems, had an enormous impact on the politics, societies and defence sectors of Southeast Asian countries. The economies of countries such as Indonesia collapsed almost entirely, leading to radical budget cuts, including in defence. In previous years, an economic boom lasting for many years had enabled the so-called Asian ‘Tiger states’ to purchase extensive new weapons systems. As a result, between 1988 and 1997 the military spending of the ASEAN states⁵ had grown on average by 71 percent, far above the world average of 31 percent. Malaysia, Indonesia and Singapore even doubled their military budgets in this period. More importantly still, the arms purchases effected by the countries in this phase reveal a change in procurement. Military doctrines, which had previously been directed almost exclusively at defending the country

¹ Colin S. Gray, “The Arms Race Phenomenon”, *World Politics* 24, no. 1 (1971): 39–79 (40), <http://www.cambridge.org/core/services/aop-cambridge-core/content/view/B780FDD0C24BCD543FC27129DB6ACC93/S0043887100001519a.pdf/div-class-title-the-arms-race-phenomenon-div.pdf> (accessed 12 January 2017).

² *Ibid.*, 41.

³ Barry Buzan and Eric Herring, *The Arms Dynamic in World Politics* (Boulder and London: Lynne Rienner Publishers, 1998), 80.

⁴ Tim Huxley, “South-East Asia's Arms Race: Some Notes on Recent Developments”, *Arms Control* 11, no. 1 (1990): 69–76.

⁵ The Association of Southeast Asian Nations (ASEAN), founded in 1967, is a regional organisation of Southeast Asian states. It has ten members: Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Myanmar and Cambodia.

Table 1
Military spending 2005–2015 (in millions of US dollars and using constant 2014 prices)

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Cambodia	123	124	119	99,5	169	202	213	232	252	278*	n.a.
Indonesia	3,179	3,228	3,882	3,621	3,784	4,444	5,095	5,850	7,865	6,929	8,071
Malaysia	4,549	4,451	4,970	5,082	4,798	4,191	4,697	4,480	4,881	4,919	5,300
Myanmar	716	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,969#	3,169#	3,276#	3,187#
Philippines	2,507	2,592	2,839	2,840	2,731	2,869	2,916	2,957	3,362	3,103	3,893*
Singapore	9,278	9,356	9,718	9,794	10,120	9,928	9,574	9,355	9,323	9,668	10,213
Thailand	3,161	3,502	4,502	5,223	5,826	5,390	5,551	5,472	5,688	5,730	6,101
Vietnam	1,845	2,172	2,800	2,759	3,030	3,378	3,154	3,672#	3,840#	4,256#	4,581#

n.a. = no data available, * = estimated, # = very uncertain data

Source: "SIPRI Military Expenditure Database 1988–2015", SIPRI (online), <http://www.sipri.org/databases/milex> (accessed 5 May 2017).

against internal enemies (counter-insurgency), now increasingly focused on conventional national defence.⁶ As a result, there were extensive and often very expensive modernisation programmes for armed services branches which had previously been relatively neglected, such as the air force and navy.

After the onset of the Asian crisis, many of the region's states were forced to cut their defence budgets, some radically. Indonesia's military budget, for example, was more than halved between 1997 and 1999. However, this drastic reduction in Southeast Asia's military spending and arms purchases was short-lived. At the start of the 21st century, defence budgets and defence spending already approached the high growth rates before the Asia crisis again.⁷ They even far exceeded them in subsequent years in Indonesia and Malaysia, for example.

In the past decade (2006–2015), military spending in Southeast Asia grew by 57 percent. For comparison, in the same period Europe's expenditure only rose by 5.4 percent. In China, however, growth in that decade was 132 percent. The increases in the region's defence budgets are particularly impressive in absolute terms. Cambodia, Indonesia and Vietnam more than doubled their budgets between 2005 and 2015 (see Table 1). Thailand also greatly increased its military spending during the same period. Over the past two years, they

have risen further: in Indonesia, military spending grew by 16 percent between 2014 and 2016, in Vietnam by 7.6 percent, and in the Philippines by 25 percent.⁸ Between 2011 and 2013, Indonesia saw the biggest rise in Southeast and East Asia (over 20 percent).⁹ However, the growth rates of individual Southeast Asian states show substantial variations. Singapore and Malaysia, for instance, had much more modest increases in absolute terms:¹⁰ for example, whilst Singapore's arms and defence spending only rose by 9 percent during the decade, in Indonesia the figure was 150 percent.¹¹

The arms imports of individual Southeast Asian states present a similar picture (see Table 2). Between 2011 and 2015, Vietnam was even in the top ten of the world's biggest arms importers (ranked eighth, with an import volume of \$4.1 billion). Compared to the years 2006–2011, Vietnam's arms imports increased by almost exactly 700 percent. Thailand's arms imports grew by 579 percent from the five-year period 2006–2011 to 2011–2015, Indonesia's by 101 percent. In Myanmar, the figure was 284 percent. However, as with military spending there are regional differences in arms imports as well: Singapore, which had been

⁶ Bilveer Singh, *The Challenge of Conventional Arms Proliferation in Southeast Asia* (Jakarta: Centre for Strategic and International Studies, 1995), 26; Andrew T. H. Tan, *The Arms Race in Asia: Trends, Causes and Implications* (London: Routledge, 2013), 70.
⁷ Tan, *The Arms Race in Asia* (see note 6), 84; Richard A. Bitzinger, "A New Arms Race? Explaining Recent Southeast Asian Military Acquisitions", *Contemporary Southeast Asia* 32, no. 1 (2010): 50–69.

⁸ Sam Perlo-Freeman et al., *Trends in World Military Expenditure, 2015*, SIPRI Fact Sheet (Stockholm: Stockholm International Peace Research Institute [SIPRI], April 2016), 3.

⁹ The International Institute for Strategic Studies (IISS), *The Military Balance 2013* (London, 2013), 248, <http://www.iiiss.org/en/publications/military%20balance/issues/the-military-balance-2013-2003> (accessed 12 January 2017).

¹⁰ All data taken from "SIPRI Military Expenditure Database 1988–2015", SIPRI (online), <http://www.sipri.org/databases/milex> (accessed 5 May 2017).

¹¹ Perlo-Freeman et al., *Trends in World Military Expenditure, 2015* (see note 8), 3.

Table 2
Arms imports (total volume, in millions of US dollars and at constant 1990 prices)

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Cambodia	0	14	56	0	4	34	0	77	67	0	0
Indonesia	36	65	587	244	441	225	250	218	802	1124	441
Malaysia	59	408	526	508	1,512	421	5	47	71	73	117
Myanmar	160	175	138	93	52	68	667	398	251	101	245
Philippines	12	23	16	10	0	0	60	6	55	12	46
Singapore	542	73	358	1,116	1,485	1,018	940	839	791	666	147
Thailand	70	47	8	13	64	49	267	285	378	105	166
Vietnam	214	41	8	172	61	152	1023	733	362	1139	842

0 = value under \$0.5 million.

Source: "SIPRI Arms Transfers Database", SIPRI (online), <http://www.sipri.org/databases/armstransfers> (accessed 5 May 2017).

among the ten biggest arms importers in the world for the period 2006-2011, reduced its arms imports by 18 percent in the subsequent period (2011-2015), dropping to thirteenth place.¹²

Furthermore, existing data show that military spending as a share of gross domestic product (GDP) fluctuated only slightly in many Southeast Asian states in the decade from 2005 to 2015 (see Table 3, p. 10). It increased in Cambodia (2005: 1.1 percent, 2015: 1.7 percent), Thailand (2005: 1.1 percent, 2015: 1.6 percent), Myanmar (2005: 1.6 percent, 2015: 3.9 percent) and Vietnam (2005: 1.8 percent, 2015: 2.3 percent). In Indonesia (2005: 0.8 percent, 2015: 0.9 percent) and the Philippines (2005: 1.3 percent, 2015: 1.3 percent), military spending as a share of GDP barely grew, or stagnated. In Malaysia and Singapore, by contrast, its share dropped from 2.2 percent (2005) to 1.5 percent (2015) and from 4.3 percent (2005) to 3.2 percent (2015) of GDP, respectively. With the exception of Singapore and Myanmar, these figures are markedly lower than for the US (2015: 3.3 percent), Russia (2015: 5.4 percent) and many states in the Middle East and Africa.¹³

To enable a more detailed interpretation of the respective macro-data, the following sections will examine not only the quantitative aspects of arms spending in the individual countries, but also the extent to which they have engaged in substantial conventional arms transfers in recent years and if so, of what kind

(subdivided into army, navy and air force). This will also include any merchandise already ordered (where known) intended to modernise existing weapons systems or acquire new ones.

Indonesia

In 2015 Indonesia spent more than \$8 billion on its armed forces. Since 2005 Jakarta has thus nearly tripled its military expenditure in absolute terms. Its 2015 military spending represents 0.9 percent of GDP, a very slight rise on the 2005 figure (0.8 percent). Because of a threat perception that located security risks primarily inside the country, Indonesia had strongly neglected its navy and air force for decades. However, faced with new external security challenges – such as transnational terrorism, piracy, illegal fishing and increasing confrontations with China over fishing rights in the South China Sea – Jakarta has had a rethink. Its military is now strategically increasingly tilted towards protecting national borders (and especially controlling Indonesia's territorial waters).¹⁴ The government has also initiated extensive military modernisation programmes. For example, in February 2014 the Indonesian military announced plans to extend its military base on the Natuna Islands. In recent years, there have been several incidents between the Indonesian and Chinese coast guards near this group of islands in the South China Sea, whose Exclusive Economic Zones

¹² Siemon T. Wezeman et al., "Developments in Arms Transfers, 2015", in *SIPRI Yearbook Online*, <http://www.sipriyearbook.org/view/9780198787280/sipri-9780198787280-chapter-015-div1-094.xml#> (accessed 12 January 2017).

¹³ All data taken from "SIPRI Military Expenditure Database 1988-2015" (see note 10).

¹⁴ Defence Ministry of the Republic of Indonesia, *Defence White Paper 2015* (Jakarta, 2016), <http://www.kemhan.go.id/wp-content/uploads/2016/05/2015-INDONESIA-DEFENCE-WHITE-PAPER-ENGLISH-VERSION.pdf> (accessed 17.01.2017).

Table 3
Military spending as share of GDP (in %)

Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Cambodia	1.1	1.0	0.9	0.8	1.3	1.5	1.5	1.5	1.6	1.7*	n.a.
Indonesia	0.8	0.7	0.8	0.6	0.6	0.7	0.7	0.7	1.0	0.8	0.9
Malaysia	2.2	2.0	2.1	1.9	2.0	1.5	1.6	1.4	1.5	1.5	1.5
Myanmar	1.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.6#	4.7#	4.3#	3.9#
Philippines	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.1	1.3*
Singapore	4.3	3.9	3.6	3.9	3.9	3.4	3.2	3.2	3.1	3.1	3.2
Thailand	1.1	1.2	1.4	1.6	1.8	1.6	1.6	1.5	1.5	1.5	1.6
Vietnam	1.8	1.9	2.3	2.2	2.3	2.3	2.0	2.2#	2.2#	2.3#	2.3#

n.a. = no data available, * = estimated, # = very uncertain data

Source: "SIPRI Military Expenditure Database 1988–2015", SIPRI (online), <www.sipri.org/databases/milex> (accessed 5 May 2017).

Table 4
Personnel levels and weapons systems

Country	Number of soldiers	Light and heavy tanks	Artillery pieces	Fighter planes	Battleships	Sub-marines
Cambodia	124,300	220+	433+	5	16	0
Indonesia	395,500	390	1,110+	104	110	2
Malaysia	109,000	69	424	67	51	2
Myanmar	406,000	290+	419+	167	117	0
Philippines	125,000	7	254+	22	69	0
Singapore	72,500	446	798+	126	45	4
Thailand	360,850	487	2,622	150	111	0
Vietnam	482,000	1,890	3,040+	101	86	6

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

(EEZ) lie in areas claimed by China. In the nearby future, the base is to host more marines, a squadron of Sukhoi fighter planes and four Apache attack helicopters.¹⁵

Under the heading of Minimum Effective Force (MEF), Indonesia's Strategic Defence Plan, published in 2010, lists a series of goals to be realised by 2024. These include extensively modernising its air force; developing a "green-water navy"¹⁶; expanding its motorised army units; and strengthening the national arms industry. As well as modernising existing equipment

and weapons systems, establishing the MEF will encompass the provision of ten new fighter jet squadrons, 274 naval vessels (Indonesia currently has 213, of which half are categorised as unseaworthy),¹⁷ twelve submarines (currently two) and dozens of new tanks, helicopters, artillery systems and transport vehicles.¹⁸ The MEF objectives look highly ambitious, especially considering that the modernisation of Indonesia's marine and air force has to start from very low levels. To reach the initial targets of the MEF, Indonesia's defence spending as a share of GDP needed to nearly double – from about 0.8 percent in 2010 to 1.5 percent

¹⁵ Felix Heiduk and Michael Paul, "Seas of Trouble: Enduring Territorial Conflicts in East and Southeast Asia", SWP Comments 2015/C 10 (Berlin: Stiftung Wissenschaft und Politik, February 2015), <https://www.swp-berlin.org/en/publication/territorial-conflicts-in-east-and-southeast-asia/> (accessed 12 January 2017).

¹⁶ For Jakarta, a *green-water navy* is defined as a navy able to control the country's territorial waters and maritime EEZ.

¹⁷ James Goldrick and Jack McCaffrie, *Navies of South-East Asia: A Comparative Study* (Abingdon: Routledge, 2013), 85.

¹⁸ "The Indonesian Armed Forces – Modernisation Underway", *Asian Defence Journal*, (November 2014): 10–15.

in 2016.¹⁹ That has not happened. Hence changes in its arms dynamics have only partially materialised in some sections of the armed forces. A closer look at the military equipment already purchased also reveals that these purchases will more likely serve to (partially) modernise outdated equipment, rather than to meaningfully build up the country's military capabilities.

In the past few years, Jakarta has obtained over 100 Leopard fighter jets (61 of type II A4 and 42 of type II A5) for its armed forces from Germany. In 2014 France delivered 37 CAESAR 155mm howitzers as well as 136 Mistral ground-to-air missiles. From the United Kingdom, Indonesia acquired 500 Starstreak ground-to-air missiles; from Ukraine, five armoured personnel carriers; from Brazil, 36 rocket launchers; and from the US, *inter alia*, more than 300 anti-tank missiles.²⁰ Its air force has been expanded by eight Apache attack helicopters, several cargo planes and anti-submarine-sonar devices from the US. In May 2016 the Indonesian government also signed a contract for eight Sukhoi Su-35 fighter jets from Russia. According to observers, this purchase is primarily linked to the long-lasting problems Indonesia has had with maintaining its existing squadrons of twelve American F-16 jets and five F-5s. These technical difficulties are a consequence of a military embargo, imposed by the US in 1999 after the massacre in East Timor carried out by Indonesian militia, that was not lifted until 2005.²¹ The Sukhois are therefore principally intended to replace the outdated F-5s from 2017 onwards. The Indonesian air force is also a partner in the KF-X Fighter Jet Initiative, established by the US arms manufacturer Lockheed and the South Korean government to develop and manufacture a South Korean fighter jet. The first prototype is expected in 2020.²² Indonesia plans to

acquire up to 80 fighter jets from the programme.²³ In 2017 Jakarta also intends to obtain from France the hardware for eleven French Panther helicopters, to be assembled in Indonesia. In spring 2016, it became known that Jakarta had plans to acquire 36 AIM-120C-7 medium-range air-to-air missiles from the US (cost: \$95 million). The decision is yet to be finalised.²⁴

Given its extremely small and badly equipped navy (relative to the length of Indonesia's coastline), the government has focused on buying submarines. By 2024 it plans to bulk out its navy to twelve submarines.²⁵ In 2012 the government bought three type 209 South Korean submarines, one of which is expected to be manufactured in Indonesia. In May 2016 it became public knowledge that Jakarta also intends to buy two Kilo-class submarines and several Beriev amphibian flying boats from Russia. The Indonesian navy currently only has two submarines acquired in the 1970s at its disposal, which are to be replaced in 2020 by the new purchases described above.²⁶ Jakarta has already ordered two new frigates from the Netherlands and, to equip them, anti-ship missiles from China (100 of type C-802) and France (30 MM-40 Exocets). Moreover, in late 2014 the government grouped together the coast guard – which had previously consisted of several individual agencies, each with different competences and each assigned to a different ministry – into a single institution.

Even once all the above-listed orders are delivered, however, the targets for battleships and fighter jets set out in the Minimum Essential Force of the Strategic Defence Plan will be not be met – in some cases not at all. The navy will not achieve the striking force of 110 ships, deemed necessary by the Plan, nor will the air force reach 180 fighter jets, divided into ten squadrons. What is more, a large proportion of the existing vessels and planes is so aged that chronic maintenance faults frequently make them unusable. To replace this armoury, Jakarta would have to make extensive purchases of new ships and planes in the years ahead. The budgeted additional expenditure for the defence sector

¹⁹ "President Promises to Allocate Rp210 Trillion as Military Budget", *Antara News* (online), 13 May 2015, <http://www.antaranews.com/en/news/98921/president-promises-to-allocate-rp210-trillion-as-military-budget> (accessed 12 January 2017).

²⁰ All data taken from "SIPRI Military Expenditure Database 1988–2015" (see note 10).

²¹ Franz-Stefan Gady, "Indonesia and Russia to Ink Deal for 8 Su-35 Fighter Jets in May", *The Diplomat* (online), 5 May 2016, <http://thediplomat.com/2016/05/indonesia-and-russia-to-ink-deal-for-8-su-35-fighter-jets-in-may/> (accessed 12 January 2017).

²² "Indonesia, South Korea Sign \$1.3bn KF-X/IF-X Fighter Jet Development Deal", *Antara News* (online), 7 January 2016, <http://www.antaranews.com/en/news/102383/indonesia-south-korea-sign-13bn-kf-x-if-x-fighter-jet-development-deal> (accessed 12 January 2017).

²³ Gady, "Indonesia and Russia to Ink Deal" (see note 21).

²⁴ "AMRAAMs for Indonesia", *Asian Defence Journal*, April 2016, p. 72.

²⁵ IISS, *The Military Balance 2016* (London: Routledge, 2016), 213.

²⁶ Gabriel Dominguez, "Indonesia Considering Purchase of Russian Kilo-class Submarines, Says Ambassador", *IHS Jane's 360*, 1 June 2016, <http://www.janes.com/article/60877/indonesia-considering-purchase-of-russian-kilo-class-submarines-says-ambassador> (accessed 12 January 2017).

over the next ten years was meant to be covered by annual economic growth of 7 percent or more. In 2014, however, this growth forecast already had to be revised downwards. In view of the flagging economy and the pressing problems in social, health and education policy, it seems unlikely that President Jokowi will drastically raise military spending in the coming years. Besides, almost two thirds of its defence budget continues to be spent on personnel costs and overhauling existing military equipment. This means that the acquisition of new modern (and thus often very costly) weapons systems, which in turn was presented as a key feature in the Strategic Defence Plan, appears unlikely. Observers therefore expect a piecemeal, non-systematic renewal of several military sectors that will not actually meet the targets that have been set out in the Minimum Essential Force.²⁷ Accordingly, Indonesia's current arms policy should not be interpreted as an expansive arms build-up. By regional standards, its new acquisitions remain meagre as a share of GDP and essentially concern the modernisation of armed services branches that had been neglected for years. In terms of the navy, for example, Indonesia primarily wants to improve its ability to control its own territorial waters and EEZ. Even if it achieved the MEF, Jakarta would still not pose a credible potential military threat to its neighbours.²⁸

Cambodia

In 2014 Phnom Penh spent \$278 million on its armed forces, more than doubling its defence budget since 2005 in absolute terms. The 2014 military expenditure represents 1.8 percent of GDP, a substantial increase compared to 2005 (1.1 percent of GDP). According to media reports, the Cambodian National Assembly adopted a defence budget of \$383 million for 2016, which would correspond to 9 percent of the national budget and an increase of 17 percent compared to the

2014 defence budget.²⁹ Whilst there is no detailed listing of the individual items of the 2016 defence budget, observers assume that two-thirds of Cambodia's military spending will continue to go on personnel costs and that new arms purchases will therefore not rapidly increase the army's military capacities in future either.³⁰ The country's defence policy continues to focus on securing the regime and protecting the nation's borders. The majority of military spending has been on the army. With its very poorly developed infrastructure, Cambodia faces essential challenges for its armed forces, especially in the shape of mobility deficits. In recent years, its military procurement has therefore centred on buying transport vehicles.

For its army, the Cambodian government has bought four used, Soviet-made fully amphibian BRDM-2 armoured reconnaissance tanks and 40 used BTR-60PB armoured infantry carriers, all from Bulgaria. It also acquired 20 RM-70 122 mm mobile rocket launchers and 61 BMP-1 armoured infantry vehicles from Czech stocks. Moreover, it bought a further eight armoured infantry vehicles and five mobile rocket launchers of the same type, also used, from Slovakia and a further 40 type BTR-60PB armoured infantry vehicles from Ukraine. In recent years, Cambodia has also purchased 60 T-55 battle tanks from Serbia and, from Ukraine, a further 100 tanks of the same type, all second-hand.

The Cambodian air force has been expanded by the addition of two MA60 cargo planes of Chinese production and twelve Harbin-Z-9 helicopters, also manufactured in China. The helicopter purchase was financed using a credit of \$195 million, granted by China as part of its military aid. According to statements by the Cambodian defence ministry, its air space is mainly secured using ground-to-air rocket launchers fired from the shoulder, equally made in China. It also intends to acquire long-range ground-to-air missiles in future. However, no specific schedule has been made public.³¹

²⁷ Benjamin Schreer, *Moving beyond Ambitions? Indonesia's Military Modernisation* (Canberra: Australian Strategic Policy Institute, November 2013), <http://www.aspi.org.au/publications/moving-beyond-ambitions-indonesias-military-modernisation> (accessed 12 January 2017).

²⁸ Felix Heiduk, "Indonesiens Sicherheitspolitik: Die Suche nach strategischer Autonomie", in *Sicherheit in Asien: Konflikt, Konkurrenz, Kooperation*, ed. Hanns Günther Hilpert and Christian Wagner, IPS, vol. 67 (Baden-Baden: Nomos Verlagsgesellschaft, 2016), 169–97.

²⁹ Prashanth Parameswaran, "Cambodia Boosts Defense Budget for 2016", *The Diplomat* (online), 3 December 2015, <http://thediplomat.com/2015/12/cambodia-boosts-defense-budget-for-2016/> (accessed 12 January 2017).

³⁰ Jon Grevatt, "Cambodia Announces 17% Increase in 2016 Defence Budget", *IHS Jane's 360*, 1 October 2015, <http://www.janes.com/article/56333/cambodia-announces-17-increase-in-2016-defence-budget> (accessed 12 January 2017).

³¹ "China Supplies Cambodia with Anti-Aircraft Hardware in New Military Aid", *Reuters* (online), 6 November 2015, <http://www.reuters.com/article/us-cambodia-china-idUSKCN0SV12R20151106> (accessed 12 January 2017).

Whilst Cambodia's 2006 Defence White Paper places much more emphasis than previous documents on the need to better secure its sea borders, the government has not made any significant armament purchases for its navy in the period covered by this study. The Cambodian navy continues to consist only of a few badly maintained patrol boats.³² In other words, during the period examined, Cambodia's arms spending has certainly increased significantly. However, this has not substantially changed its armed forces' conventional weapons systems or military threat potential, since the majority of the additional expenditure has gone on personnel costs and modernising outdated armoury.

Malaysia

Malaysia's 2015 defence budget was \$5.3 billion. Since 2005 Kuala Lumpur has thus increased its military spending by about 15 percent in absolute terms. Its 2015 military expenditure represents 1.5 percent of GDP and has thus markedly dropped since 2005 (2.2 percent of GDP). Two external threats to its security in 2013 and 2014 revealed gaps in the armed forces' capacities, triggering a domestic discussion about the need to modernise or expand, especially the air force and navy. In 2013 a militant group from the southern Philippines entered the Malaysian federal state of Sabah, which covers the northern part of the island of Borneo. The few badly equipped Malaysian forces stationed in Sabah were unable to repel this 'invasion' for some time. Like Vietnam and the Philippines, Malaysia is also in conflict with China over who has sovereignty over a number of reefs and islands, as well as the delimitation of its EEZs in the South China Sea.³³ Since 2013 Chinese fishing and coast-guard vessels have repeatedly entered waters claimed by Malaysia. China held a manoeuvre at sea near the James Shoal, which Malaysia also considers part of its territory. These intrusions were forcefully condemned by the Malaysian defence minister, and led to calls for the defence budget to be raised and for the navy and air force in particular to be modern-

ised.³⁴ The March 2014 disappearance without a trace of flight MH370, operated by the national airline Malaysia Airlines, also revealed gaps in Malaysia's aerial surveillance.

In recent years, calls for the navy and air force in particular to be upgraded have been heard, at least in part. Kuala Lumpur has acquired over 130 armoured infantry vehicles from Turkey, to be delivered by 2018. The associated gun turrets have been ordered from South Africa. The Malaysian government also ordered 20 armoured infantry vehicles from Thailand, which it should receive throughout 2017. From France it bought eight large-calibre mortars; from South Africa, *inter alia*, more than 200 new Ingwe anti-tank missiles; and in the UK Starstreak ground-to-air missiles. In spring 2016 the US also ceded 24 M109 A5 tank howitzers under the Excess Defence Articles (EDA) programme.³⁵ At the same time, Malaysia's defence ministry signed a contract for 54 armoured infantry vehicles with the Malaysian company Deftech, for delivery by 2020.³⁶ In the past few years, Malaysia has also ordered six French frigates (with delivery starting in 2019) and six South Korean frigates. Three of the latter should be produced in Malaysia. Delivery of the remaining three is scheduled for 2018. The French frigates are to be equipped with one Swedish ship gun each; the contract with the Swedish government was signed in 2014. Here too, at least a part of the manufacturing process is meant to take place in Malaysia. To equip its new frigates, Kuala Lumpur has additionally ordered 100 NSM anti-ship missiles from Norway.

The Malaysian air force has also made a series of new acquisitions recently. For example, it bought five PC-7 Turbo Trainer planes from Switzerland and, *inter alia*, 20 Sidewinder guided missiles and six helicopters from the US. The planned purchase of new fighter jets as a medium-term replacement for the outdated Russian MiG-29s that Malaysia bought in the 1990s has so far not been realised.³⁷ The majority of recent arms

³² Goldrick and McCaffrie, *Navies of South-East Asia* (see note 17), 59.

³³ Prashanth Parameswaran, *Playing It Safe: Malaysia's Approach to the South China Sea and Implications for the United States*, Maritime Strategy Series 6 (Washington, D.C.: Center for a New American Security, February 2015).

³⁴ Jason Ng and Trefor Moss, "Malaysia Toughens Stance with Beijing over South China Sea", *Wall Street Journal*, 8 June 2015, <http://www.wsj.com/articles/malaysia-toughens-stance-with-beijing-over-south-china-sea-1433764608> (accessed 12 January 2017).

³⁵ Kelvin Fong, "Howitzers – Supporting Firepower", *Asian Defence Journal*, (May 2016): 9.

³⁶ "DSA 2016: Truly A VVIP Show!", *Asian Defence Journal*, (May 2016): 31.

³⁷ Felix K. Chang, "Comparative Southeast Asian Military Modernization – I", *The Asian Forum*, 1 October 2014, <http://www.theasianforum.org/comparative-southeast-asian-military-modernization-1/> (accessed 12 January 2017).

spending by the air force went on four Spanish A400M Atlas transport planes with German-built engines, bought in 2014. Given the Sabah invasion of 2013, the strategic aim associated with this deal is likely to be much more rapid future troop deployment from central Malaysia to Borneo.³⁸

To date, Malaysia's slowing economic growth and domestic political crisis have prevented any further significant arms purchases. According to statements by the Malaysian Admiralty, even once the new frigates have entered service, it will not be capable of adequately controlling and securing the country's vast territorial waters. This, it said, would require a fleet of at least 20 frigates, of which six or seven could then be permanently deployed in Malaysia's territorial waters.³⁹ Moreover, the majority of Malaysia's navy vessels have been in service for 25 years or more and will have to be replaced with more recent ships in the near future.⁴⁰ The country's air force presents a similar picture. Here, too, the arms modernisation that is indispensable from a military perspective has largely failed to materialise because of shrinking budgets.

Myanmar

In 2015 Myanmar spent \$3.1 billion on its armed forces, almost 4 percent of its GDP. Even though that year's defence budget was somewhat smaller than in previous years, Myanmar, one of the poorest countries in Asia, clearly funds its military extremely generously. An estimated 20 percent of the national budget is spent on the military (*Tatmadaw*), which managed to give itself far-reaching political influence in the constitution as part of the country's political transition, initiated in 2014. It has also removed itself almost entirely from civilian oversight. Alongside the budget provided by the state, the *Tatmadaw* also receive income from a large number of military companies and foundations, meaning that the official defence budget only partly reflects the effective budget of the military.

Since its independence from the UK in 1948 under the name of Burma, the ethnically extremely diverse country has focused its security policy on protecting its territorial integrity and stability from centrifugal

forces in the outer provinces. These consist of over a dozen, mostly ethnic, militant groups, the smallest of which only have a few hundred armed fighters, the biggest up to 30,000. Despite the ceasefires concluded with several of these ethnic rebel movements in the past few years, the central government continues to face a series of violent conflicts with numerous armed groups. The majority of the arms that Myanmar's leadership has recently bought are therefore intended to improve the military's capacities in counter-insurgency. An arms embargo currently prevents EU member states from exporting arms to Myanmar. For that reason among others, Myanmar has mainly obtained its armaments from Russia and China throughout the last decade. In recent years, Myanmar has thus imported 100 armoured vehicles for its army from China, and S-125 ground-to-air missiles from Russia. For its air force, it has bought 50 Karakorum-8 light attack aircraft from China and 20 G-120TP unarmed training aircraft from Germany. The latter, however, will not be delivered until later this year. In addition, the Burmese air force has obtained ten used Russian helicopters, which will be extensively overhauled and modernised in Russia. It has bought aircraft engines in Ukraine and radar devices in India.

In general, the military's almost exclusive focus on counter-insurgency inside the country has continued to limit the acquisition of new conventional weapons systems in recent years. Air force arms purchases worth mentioning include fighter aircraft: 16 JF-17-Thunder jets from Pakistan (2015) and 20 MiG-29s from Russia (2011-2013). For its navy, Myanmar has bought two Chinese 053H1 frigates and up to six Aung Zeya-class frigates, to be designed by China but manufactured and equipped with guided missiles in Myanmar. In addition, six Israeli patrol boats have been acquired for the Burmese navy, which was also negotiating for a delivery of Indonesian landing craft with the Indonesian arms manufacturer PAL Indonesia in 2014. The outcome of these talks is not yet known. During the period covered by this study, the one-sided orientation of the *Tatmadaw*, towards domestic counter-insurgency, has barely changed, meaning that the majority of its new military purchases are not outward-looking or offensive in nature.

The Philippines

The military spending of the Philippines was \$3.89 billion in 2015. In absolute terms, that is about two-

³⁸ IISS, *The Military Balance 2016* (see note 25), 213.

³⁹ Chang, "Comparative Southeast Asian Military Modernization - I" (see note 37).

⁴⁰ Goldrick and McCaffrie, *Navies of South-East Asia* (see note 17), 116.

thirds higher than in 2005 (2005: \$2.5 bn). However, as a proportion of GDP, the defence budget has remained constant at 1.3 percent due to strong economic growth rates over the last few years.

Compared to the rest of the region, the Armed Forces of the Philippines (AFP) are extremely ill-equipped with conventional weapons. According to observers, large parts of the air force and especially of the navy are totally outdated or not even deployable in case of emergency.⁴¹ For example, the only purchase for the navy between 1995 and 2005 was of four British Peacock-class corvettes. In 2005 the air force decommissioned its last fighter jet.⁴² There are two main reasons for the current state of the Philippines armed forces. First, successive governments in Manila relied for decades on the military alliance concluded with the US in the 1950s, and thus on Washington as an external guarantor of its security. Second, for a long time the security policy of the Philippines was almost exclusively focused on internal security threats (Maoist and separatist armed movements, *inter alia*). However, increasingly frequent confrontations in the South China Sea between China's navy and coast guard and its own have led Manila to rethink its security outlook and associated strategy. This has also brought about changes to its arms dynamic. The Republic Act (RA) 10349, passed in 2013 and also known as the Revised AFP Modernisation Programme, provides for a step-by-step increase of the defence budget until 2018. Enhanced arms purchases are intended to give the AFP a "minimum credible defence status". The programme was initiated because of the assessment, shared by the then-Aquino government and large parts of the congress, that the AFP was not in a position to defend the nation's borders effectively in case of an external threat to the country's territorial sovereignty.⁴³

The main purchases for the Philippines army in recent years, however, have been armoured infantry

vehicles. Manila bought 28 second hand vehicles from Israel; a further 111, also used, were shipped by the US in 2015 as part of its military aid. To date, the only significant armaments purchase made by the Philippines government under the Revised AFP Modernisation Programme is of three used Hamilton-class coast guard vessels from the US. A fourth boat of the same class will be delivered in 2017.⁴⁴ In addition, in 2015 Manila acquired two Balikpapan landing-craft from Australia, which had been decommissioned by the Australian navy three years earlier. The landing-craft were a donation from the Australian government, intended to improve the capabilities of the Philippines navy in amphibian transport and disaster relief. In 2016 Manila bought another three used landing-craft of the same type from the Australian navy. Three Indonesian-built Makassar landing-craft were scheduled for delivery in late 2016.

In recent years, the coast guard of the Philippines has benefited from more extensive new acquisitions. In 2015 Manila obtained ten patrol boats straight from the factory in Japan, to be used for long-distance deployments. Previously the coast guard had only had nine such patrol boats, only seven of which were even usable.⁴⁵ In 2016 it received two more patrol boats of this type from Japan, which is the country's greatest donor of development aid and has declared its intention of leasing surveillance aircraft to the Philippines coast guard.⁴⁶ In September 2016 a call for tender by the Philippines defence ministry for two new frigates, dating back to 2013, was concluded. The candidate chosen for the order worth \$337 million was the South Korean manufacturer Hyundai Heavy Industries (HHI). An exact delivery date has not yet been announced.⁴⁷

41 Aries A. Arugay, "The Philippines in 2015: Security Challenges along the Domestic-Foreign Frontier", in *Security Outlook of the Asia Pacific Countries and Its Implications for the Defense Sector*, NIDS Joint Research Series no. 14 (Tokyo: National Institute for Defense Studies [NIDS], 2015), 53–63, http://www.nids.mod.go.jp/english/publication/joint_research/series14/pdf/05.pdf (accessed 12 January 2017).

42 "PH to Buy 12 South Korean Fighter Jets", *Rappler* (online), 30 January 2013, <http://www.rappler.com/nation/20754-ph-to-buy-12-south-korean-fighter-jets> (accessed 4 October 2016).

43 Republic of the Philippines, "Republic Act No. 10349", *Official Gazette* (online), 11 December 2012, <http://www.gov.ph/2012/12/11/republic-act-no-10349/> (accessed 28 September 2016).

44 "Philippines Gets U.S. Military Aid Boost amid South China Sea Dispute", *Reuters* (online), 8 April 2016, <http://www.reuters.com/article/us-southchinesea-philippines-usa-idUSKCN0X50XF> (accessed 12 January 2017).

45 Jerry E. Esplanada, "Patrol Boats from Japan to Start Arriving in 2015", *Philippine Daily Inquirer*, 31 March 2014, <http://newsinfo.inquirer.net/590453/patrol-boats-from-japan-to-start-arriving-in-2015> (accessed 12 January 2017).

46 "Japan Gives Philippines Patrol Ships", *Rappler* (online), 12 August 2016, <http://www.rappler.com/nation/142873-japan-philippines-patrol-ships> (accessed 12 January 2017).

47 Ridzwan Rahmat, "Hyundai Wins USD337 Million Frigate Contract from Philippine Navy", *IHS Jane's 360*, 2 September 2016, <http://www.janes.com/article/63401/hyundai-wins-usd337-million-frigate-contract-from-philippine-navy> (accessed 12 January 2017).

The air force of the Philippines has been upgraded *inter alia* through the purchase of twelve FA-50 fighter jets from South Korea. Ten have already been delivered; the remaining two are scheduled for late 2017. The air force will obtain the EL/M-2032 pulse-Doppler radars for the FA-50s from Israel. A number of other recent armaments purchases for the air force have been based on decisions taken prior to the Revised AFP Modernisation Programme and the associated re-orientation of the armed forces towards defending the nation's external borders. Correspondingly, these purchases were still made primarily to improve the ability of the Philippines to engage in military counter-insurgency within its borders. Thus in 2015 France delivered four AS-550 Fennec light attack helicopters, and Italy ten A-109K light attack helicopters. The Philippines government has also recently acquired seven military transport planes: three C-295s from Spain (whose engines were imported from Canada), and in 2015 two C-212s from Indonesia and two used C-130H Hercules from the US. Washington also sold the Philippines eight Bell-412 attack helicopters. Plans to erect an Israeli-built coastal rocket complex on the island of Palawan were put on ice in 2015 by Manila's defence ministry. The allocated sums were rededicated to buying military equipment for counter-insurgency instead.⁴⁸

In 2016 the Philippines congress authorised the purchase of two frigates, three attack helicopters equipped with anti-submarine missiles, and six close-air-support planes, for a total price of \$10.8 million.⁴⁹ Two of the three anti-submarine helicopters were ordered in March from the Italian manufacturer Finmeccanica (since renamed Leonardo). They are due to be delivered in 2018.⁵⁰ Congress also agreed in August 2016 to increase the defence budget by 15 percent for 2017.⁵¹

⁴⁸ Cynthia D. Balana and Gil C. Cabacungan, "Why DND Put on Hold P6.5B Israeli Missiles", *Philippine Daily Inquirer*, 8 July 2015, <http://newsinfo.inquirer.net/703712/why-dnd-put-on-hold-p6-5b-israeli-missiles> (accessed 12 January 2017).

⁴⁹ "Retail Bond to Fund AFP Modernisation", *Asian Defence Journal*, (January–February 2016): 38.

⁵⁰ Gareth Jennings, "Philippines Selects Lynx Wildcat for ASW Mission", *IHS Jane's 360*, 23 March 2016, <http://www.janes.com/article/58998/philippines-selects-lynx-wildcat-for-asw-mission> (accessed 16 January 2017).

⁵¹ Jess Diaz, "Duterte Cuts Health Budget by P31 B", *Philippine Star*, 21 August 2016, <http://www.philstar.com/headlines/2016/08/21/1615704/duterte-cuts-health-budget-p31-b> (accessed 12 January 2017).

In general, it should be noted that Benigno Aquino's government, which was in office from 2010 to 2016, pushed ahead with modernising parts of the armed forces, especially the navy and air force. Whilst not all the intended modernisation targets were reached – because of budget squeezes, among other reasons – arms spending nonetheless rose sharply. This has been accompanied by a gradual reorientation of the armed forces away from counter-insurgency and towards securing the nation's borders. On the material level, this has brought about several changes. For example, following the purchase of FA 50 light fighter aircraft, the Philippines now have such aircraft in their arsenal for the first time since 2005. By regional standards, however, these developments remain very modest, both in terms of the quantity and the quality of the weapons systems. Even if the target set by the Aquino government of a "minimum credible defence" is achieved in the coming years, the Philippines will still not have any weapons systems at its disposal (such as anti-ship missiles) that could decisively obstruct or even prevent an enemy force from entering the country's territorial waters in case of an armed confrontation.⁵² Moreover, President Rodrigo Duterte, who was re-elected in late 2016, has set a much more China-friendly course in foreign policy than the previous government, and has also announced that defence policy will once again focus more on combating internal security threats.

Singapore

In 2015 the island and city state of Singapore spent the lordly sum of \$1,024 billion on its armed forces. Since 2005 it has thus increased its military spending by about ten percent in absolute terms. However, as a proportion of GDP, the 2015 defence budget represents only 3.2 percent, a significant drop compared to 2005 (4.3 percent of GDP). Since independence in 1965, Singapore – a city state with no strategic depth – has based its security policy on the military deterrence of potential invaders by a well-trained military, heavily

⁵² Shang-su Wu, "Aquino's Military Modernization: Unprecedented but Insufficient", *The Diplomat* (online), 23 March 2016, <http://thediplomat.com/2016/03/aquinos-military-modernization-unprecedented-but-insufficient/> (accessed 16 January 2017).

armed with state-of-the-art technologies.⁵³ To this end, it gives itself one of the highest military budgets in the world per head of population. On average a quarter of the national budget goes on defence, making the country one of the globe's largest arms importers. In absolute terms, the military budget of this city state with its five million inhabitants is larger than that of its immediate neighbour Indonesia (population: 240 million). Singapore also has more submarines, war planes and battle tanks than many of its much bigger neighbours. To avoid being regarded as a potential military threat by its neighbours, which might in turn upset the balance of power in the region, Singapore pursues a doctrine of "strategic restraint" and largely forgoes buying offensive weapons systems.⁵⁴ The Singaporean leadership's security policy continues to be strongly influenced by the Lion City's relations with its larger neighbours Malaysia and Indonesia, which have not always been smooth sailing, and increasingly also by China's more aggressive behaviour in the region. However, non-traditional security risks have also become a focus recently. In particular, security in the Malacca Straits, which are crucial for Singapore's sea trade, has gained greatly in importance.⁵⁵

A large share of the constantly very high military spending of the past few years has thus gone on the navy. It has bought 120 French MICA missiles to be installed on eight new Singapore-built corvettes of the Independence class as well as the associated radar systems. The ships' engines were bought in Germany, their 76mm guns in Italy, and their air/sea search radar in the Netherlands. The eight new corvettes are intended to replace the old patrol boats currently being used by the Singaporean navy.⁵⁶ In 2013 Singapore also agreed a deal with Germany for two type 218 submarines, to be delivered as of 2020. For its army, the government has recently bought 200 Aster medium-range anti-aircraft missiles from France. These are

used to equip mobile SAMP/T batteries. It has also bought 13 used battle tanks from Switzerland.

The air force most recently acquired six Spanish-made A-330 tanker aircraft. It has also imported 200 AIM-120C air-to-air missiles, two Seahawk helicopters, 20 Sidewinder guided missiles and 88 GMLRS rockets with cluster ammunition from the US.⁵⁷ Singapore's defence ministry also announced in mid-2015 that its existing squadron of F-16 fighter jets would be armed with new AESA (Active Electronically Scanned Array) radar systems, giving them improved precision attack capabilities.⁵⁸ In 2014 Singapore had stated its interest in buying twelve latest-model F35B fighter jets from the US. However, it put these plans on ice in August 2016 arguing that its aircraft fleet, upgraded in the past few years with the addition of new F-16 and F-15 fighter jets, was currently adequate for the country's aerial defence.⁵⁹

According to Defence Minister Ng Eng Hen, Singapore's current armament policy generally concentrates more on replacing outdated weapons systems than on acquiring entirely new ones.⁶⁰ For instance, as mentioned above, its Fearless-class patrol boats are scheduled to be replaced in the coming years by eight new vessels built in Singapore itself. As of 2015 its V200 armoured personnel carriers, built in the 1970s, are likewise being replaced by new Peacekeeper Protected Response Vehicle, manufactured in Singapore.⁶¹ All the air force's Super Puma helicopters are also slated for replacement over the coming decade. Singapore is one of the few countries in the region that has an arms industry of sufficient size to produce howitzers, battleships, infantry vehicles and assault rifle, among other armaments, for the national and inter-

⁵³ Tim Huxley, *Defending the Lion City: The Armed Forces of Singapore* (St Leonards: Allen & Unwin, 2000); See Seng Tan, "Mailed Fists and Velvet Gloves: The Relevance of Smart Power to Singapore's Evolving Defence and Foreign Policy", *Journal of Strategic Studies* 38, no. 3 (2015): 332–58, <http://dx.doi.org/10.1080/01402390.2014.1002909> (accessed 16 January 2017).

⁵⁴ Michael Leifer, *Singapore's Foreign Policy: Coping with Vulnerability* (London: Routledge, 2000).

⁵⁵ Lee Li Huat, "Will Strengthening the SAF Mean Strengthening Singapore's Deterrence as a Non-Nuclear State?", *Pointer – Journal of the Singapore Armed Forces* 41, no. 4 (2015): 21–32, http://www.mindef.gov.sg/safti/pointer/documents/pdf/V41N4_strengtheningthesaf.pdf (accessed 17 January 2016).

⁵⁶ IISS, *The Military Balance 2016* (see note 25), 213.

⁵⁷ All data taken from "SIPRI Military Expenditure Database 1988–2015" (see note 10).

⁵⁸ IISS, *The Military Balance 2016* (see note 25), 213.

⁵⁹ Anthony Capaccio, "Singapore Puts off Decision on Whether to Buy Lockheed's F-35", *Bloomberg* (online), 9 August 2016, <http://www.bloomberg.com/news/articles/2016-08-08/singapore-puts-off-decision-on-whether-to-buy-lockheed-s-f35> (accessed 16 January 2017).

⁶⁰ Singapore Government, Ministry of Defence, "Speech by Dr Ng Eng Hen, Minister for Defence, at Committee of Supply Debate 2015", *Mindef Singapore* (online), 6 March 2015, http://www.mindef.gov.sg/imindef/press_room/official_releases/sp/2015/05mar15_speech.html#.V_ZGQ3r2mryp (accessed 16 January 2017).

⁶¹ Rei Kurohi, "New Armoured Vehicle to Keep S'pore Safe", *The Straits Times*, 9 July 2015, <http://www.straitstimes.com/singapore/new-armoured-vehicle-to-keep-spore-safe> (accessed 16 January 2017).

national market.⁶² Part of its defence spending thus goes to its own military-industrial complex, which in turn presently provides a substantial proportion of the armaments for the Singapore Armed Forces.

Thailand

In 2015 Thailand's military budget was \$6.1 billion, nearly double its 2005 budget in absolute terms. The 2015 military expenditure represents 1.6 percent of GDP, a significant increase on 2005 (1.1 percent of GDP). Thailand has been repeatedly shaken by domestic political crises for over a decade. On two separate occasions during the period covered by this study, in 2007 and again in 2014, the military carried out a successful putsch, arguing both times that it had to restore peace and stability in the country in the face of the violent clashes between supporters of the government and the opposition. After each putsch, Thailand's military budget was raised massively, and its generals went on extended shopping sprees.⁶³ Moreover, 2004 saw the escalation of a conflict that had been smouldering for decades between the central government and armed rebel groups in the country's three majority-Muslim southern provinces, bordering on Malaysia. Negotiations between the military and the armed groups have so far proved fruitless.

In the past few years, Thailand has bought six Israeli-built ATMOS-2000-155mm howitzers for its land forces. It has also purchased 121 BTR-3U Guardian armoured infantry vehicles, 1,500 anti-tank missiles and 49 T-84 battle tanks from Ukraine. The diesel engines for the Ukrainian infantry vehicles were manufactured in Germany. Switzerland delivered eight GDF-35 mm anti-aircraft guns and the accompanying radar systems, and the US nine ground-to-air missiles as well as Cummins-6V diesel engines for the First Win armoured infantry vehicles, built in Thailand itself. Manila also bought Starstreak ground-to-air missiles from the UK, which will be delivered in 2017. In January 2016 the German arms manufacturer

⁶² John Dowdy et al., *Southeast Asia: The Next Growth Opportunity in Defense* (Singapore: McKinsey Innovation Campus, Aerospace and Defense Practice, February 2014), 10.

⁶³ Paul Chambers, *Civil-Military Relations in Thailand since the 2014 Coup. The Tragedy of Security Sector "Deform"*, PRIF Report no. 138 (Frankfurt: Hessische Stiftung Friedens- und Konfliktforschung, 2015), http://www.hsfk.de/fileadmin/HSEFK/hsfk_publicationen/prif138.pdf (accessed 16 January 2017).

Rheinmetall received an order from the Thai government for four Oerlikon-Skyguard-3 anti-aircraft guns.⁶⁴

For its air force, Thailand acquired six EC145 light helicopters in 2015 and another five in 2016, from Germany. From Russia it bought two transport helicopters. France also delivered transport helicopters in 2015 (four EC725 Super Cougars); another two are scheduled for delivery in 2017. In October 2016 Bangkok ordered yet another two EC725 helicopters from Airbus, to be delivered in 2019.⁶⁵ Italy sold Thailand a P-180-Avanti transport aircraft and eight AW139 helicopters; South Korea four T-50-Golden Eagle trainer planes; the US three Black Hawk attack helicopters and 50 AIM-120C air-to-air guided missiles. Bangkok also modernised its existing arsenal of F-16 fighter jets with new APG-68 radar systems made in the US.

The Thai navy was upgraded by two South Korean DW-3000 frigates and a 90-metre-long BVT-90 long-distance patrol boat built in the UK. The boat's 76mm gun was also ordered from the UK; the radar system from the Netherlands; the anti-submarine sonar devices for the two South Korean frigates from Germany. To modernise its existing arsenal, Bangkok also ordered new radar systems from Sweden. According to reports, the 2017 defence budget for the first time contains funds for purchasing up to three Chinese submarines.⁶⁶ It would appear that Thailand's plans to acquire a submarine fleet, first mooted in the 1990s, are now being realised.⁶⁷

The Thai military junta has also announced how it intends to expand the national arms industry. Domestic producers of military goods, who so far have led a rather pitiful, marginal existence, are from now on supposed to be integrated more closely into the national security strategy via government contracts and partnerships with foreign firms. In 2015 the Thai shipyard Marsun launched the first ever patrol boat entirely built in the country. If the trials begun in mid-

⁶⁴ C. H. Fong, "Last Line of Air Defence", *Asian Defence Journal*, (January–February 2016): 18.

⁶⁵ Gareth Jennings, "Thailand Adds to EC725 Orders", *IHS Jane's 360*, 4 October 2016, <http://www.janes.com/article/64312/thailand-adds-to-ec725-orders> (accessed 16 January 2017).

⁶⁶ "Junta-ruled Thailand Says It Will Buy Three Chinese Submarines", *Reuters* (online), 1 July 2016, <http://www.reuters.com/article/us-thailand-china-idUSKCN0ZH4V4> (accessed 16 January 2017).

⁶⁷ John Grevatt, "Thailand Includes Submarine Funding in 2017 Budget", *IHS Jane's 360*, 14 September 2016, <http://www.janes.com/article/63742/thailand-includes-submarine-funding-in-2017-budget> (accessed 16 January 2017).

2016 are successful, the M58 Laemsing will be sold to the Thai navy.⁶⁸

However, the extended shopping sprees that Thailand's generals have enjoyed in the past few years might be markedly reduced in 2017. The 2017 defence budget, published recently, only provides for a modest raise of 2 percent on 2016, in contrast with previous years: after the 2014 putsch, the military budget was increased by 5 percent (2015) and 7 percent (2016). The budget for 2017 represents a 7 percent share of the national budget and 1.5 percent of GDP. The defence budget reduction can be directly linked to the country's dwindling economic growth after the military putsch of 2014. Thailand, Southeast Asia's second-biggest economy, only registered 3.5 percent growth in 2016, falling markedly behind its neighbours in the region. Moreover, direct foreign investment has collapsed by almost 90 percent.⁶⁹

Vietnam

In 2015 Vietnam spent \$4.5 billion on its armed forces. This represents an increase in absolute terms of more than 200 percent since 2005. The 2015 defence budget equals 2.3 percent of GDP, a marked increase on 2005 (1.8 percent of GDP). Until the mid-2000s, Vietnam primarily owned outdated military equipment from Soviet stock. However, against the backdrop of the steadily rising tensions with China in the South China Sea over the past decade, Hanoi has made extensive changes to its arms policy. In 2007 the country's Communist Party (CP) passed a resolution to design a new national Maritime Strategy 2020, and in 2009 published a new defence White Paper. Both documents emphasised that the country's maritime sovereignty must be better protected against external threats and that this required upgrading its armaments. Since then, the Vietnamese armed forces have gone on a spending spree.

For its army, Hanoi bought 20 mobile Extended Range Artillery missile systems (EXTRA) from Israel, which are specially designed for defending coastal facilities and ports. According to press reports, several of these systems were installed on islands occupied by Vietnam belonging to the disputed Spratly Islands in the South China Sea. Given the range and high precision of these missiles, observers believe they would enable Vietnam to strike the South China Sea reefs that China has consolidated and expanded to make artificial islands, and equipped with ports, military installations and runways. However, the Vietnamese government has consistently denied stationing missiles on the Spratly Islands.⁷⁰ Incidentally, it has also bought three Russian Pechora-2T mobile ground-to-air missile delivery systems.

Vietnam's navy and air force have profited even more from the changed arms dynamic of the past few years than its army. In 2013 the air force ordered twelve new Russian Su-30MK2 fighter jets and three Spanish C-295 transport aircraft. Three years earlier, in 2010, it had already ordered 20 Russian Su-30MK3 fighter jets, whose engines come from Canada, and four VERA-E radars from the Czech Republic, which can identify and follow flying targets even if they have stealth characteristics.

However, the most extensive new acquisitions of recent years concern the navy. The purchase of six Russian Kilo-class submarines – equipped among other things with SS-N-27 anti-ship missiles, SS-N-30 cruise missiles and anti-submarine torpedoes – triggered an intense debate among observers. The final submarine was delivered in January 2017.⁷¹ The navy's armoury was also expanded by ten new Russian Tarantul Molniya corvettes, armed with missiles. Vietnam obtained the necessary turbines from Ukraine. Hanoi also purchased four new frigates (two each from Russia and the Netherlands), none of which has been delivered yet. The two Gepard 3 frigates from Russia are provisionally scheduled to be delivered in 2017, and are likewise equipped with SS-N-30 missiles.⁷² The com-

⁶⁸ Ridzwan Rahmat, "Thailand's First M58 Patrol Boat Completes Sea Trials in Preparation for Delivery", *IHS Jane's 360*, 26 August 2016, <http://www.janes.com/article/63267/thailand-s-first-m58-patrol-boat-completes-sea-trials-in-preparation-for-delivery> (accessed 16 January 2017).

⁶⁹ Prashanth Parameswaran, "The Truth about Thailand's 2017 Defense Budget 'Hike'", *The Diplomat* (online), 10 September 2016, <http://thediplomat.com/2016/09/the-truth-about-thailands-2017-defense-budget-hike/> (accessed 16 January 2017).

⁷⁰ Greg Torode, "Exclusive: Vietnam Moves New Rocket Launchers into Disputed South China Sea – Sources", *Reuters* (online), 10 August 2016, <http://www.reuters.com/article/us-southchinasea-vietnam-exclusive-idUSKCN10K2NE> (accessed 16 January 2017).

⁷¹ "HQ-187 Ba Ria – Vung Tau Submarine Undergoes Test in the Finland Gulf", *Defense Studies* (online), 13 September 2016, <http://defense-studies.blogspot.com/2016/09/hq-187-ba-ria-vung-tau-bay-submarine.html> (accessed 16 January 2017).

⁷² IISS, *The Military Balance 2016* (see note 25), 212.

pletion date for the two SIGMA-90 Dutch frigates, one of which is slated to be built in Vietnam, has not yet been made public. To arm the Dutch frigates, Hanoi also bought 40 French MICA missiles, 25 French MM-40-3-Exocet anti-ship missiles and Italian-made radar systems and Super Rapid 76mm guns. For its Russian-made frigates, Vietnam has ordered 400 SS-N-25 anti-ship rockets. The government has also announced plans to develop its national arms industry, especially in the naval sector, relying on a technology and knowledge transfer with Russian companies to do so.

Other purchases have benefited the coast guard. In 2013 Vietnam obtained three overhauled used patrol boats from South Korea. As part of the 2011 Defence Cooperation Agreement concluded between Japan and Vietnam, six overhauled Japanese coast guard vessels passed into Vietnamese possession in 2015. In 2014 Hanoi announced plans to buy 32 new ships for its coast guard in the coming years for a total cost of \$547 million.⁷³ Since the US arms embargo was lifted in May 2016, Hanoi has also focused on purchasing arms from Washington. Observers believe that in the near future Vietnam is likely to try and acquire decommissioned P-3C-Orion aircraft from US stocks; they are particularly well-suited for maritime surveillance and anti-submarine warfare.⁷⁴

Additionally, the Vietnamese government is holding talks with European arms manufacturers about purchasing fighter jets, naval aircraft and drones (Unmanned Aerial Vehicles, UAV).⁷⁵

Overall, the changes in Vietnam's arms dynamic can therefore be described as dramatic. The total cost of the new submarines and twelve Su-30MK2 fighter jets ordered last year is almost \$3 bn – nearly the entire defence budget for 2014. The budget of the navy alone has more than doubled in the past eight years. Observers' attention has also been caught by the hurried nature of the purchase and the rapid delivery of many armaments. The last of the six Russian submarines ordered in 2009 was delivered in early 2017. The last two machines of the new Su-30MK fighter jet squadron were delivered to Vietnam in February 2016, less than three years after being ordered. Hanoi has thus doubled the size of its fighter-aircraft fleet. Within a decade, its huge arms purchases have put Viet-

nam in a position to pursue an asymmetrical Anti-Access/Area Denial (A2/AD) strategy against external aggressors. Its recent arms purchases would make it very risky for enemy forces to enter waters claimed by Vietnam since they must expect to be met by mobile missile systems, submarines and fighter jets equipped with anti-ship missiles.

⁷³ Vu Trong Khanh, "Japan to Help Vietnam Improve Maritime Capability", *Wall Street Journal*, 1 August 2014, <http://www.wsj.com/articles/japan-to-help-vietnam-improve-maritime-capability-1406883961> (accessed 16 January 2017).

⁷⁴ IISS, *The Military Balance 2016* (see note 25), 207.

⁷⁵ *Ibid.*, 212.

The Role of European Arms Exporters

European arms firms have a large share in Southeast Asia's arms upgrades – a fact that has so far not been discussed in the region or in Europe. It is nonetheless well-known that European manufacturers play an important role on the global arms market. The five major European arms exporters of France, Germany, Italy, Spain and the UK together had a 21 percent share of the worldwide arms trade between 2011 and 2015. Despite a drop over this period in both German and French exports of military goods (by 51 and 9.8 percent, respectively), France and Germany are still the fourth and fifth-biggest global arms exporters, respectively. Only the US, Russia and China surpass them in trade volume. Over the same period, the arms sales of other European producers rose sharply: by 26 percent for the UK; 55 percent for Spain; and 48 percent for Italy. Asian states are important customers for armaments made in the EU. For example, between 2011 and 2015, 28 percent of all French and 23 percent of all German arms sales went to Asia.⁷⁶ A large proportion of the military hardware that has been delivered to Southeast Asia over the past decade also came from Europe (see Chart 1, p. 22).

For the eight Southeast Asian states examined in this study, the volume of arms imports from the EU has more than quintupled in absolute terms between 2005 and 2014. From 2013 to 2014 alone, arms exports from EU member states to the eight states nearly tripled (to more than 8 bn euros in total). Singapore, Indonesia and Malaysia are among the Southeast Asian countries receiving the most European arms exports. However, Thailand and the Philippines also purchased military equipment in Europe to a notable extent in the period covered by this study. Vietnam continues to obtain the majority of its armaments from Russia. By contrast, EU arms exports to Cambodia have markedly dropped off in the past few years, and no lethal weapons at all have been exported to Myanmar since the EU arms embargo was put in place.⁷⁷

⁷⁶ Perlo-Freeman et al., *Trends in World Military Expenditure, 2015* (see note 8), p. 1.

⁷⁷ European Union External Action, *Annual Reports on Arms Exports*, issues 8 (2006)–17 (2016), <https://eeas.europa.eu/topics/nuclear-safety/8472/annual-reports-on-arms-exports-en> (accessed 16 January 2017).

In the decade from 2005 to 2015, Indonesia imported armaments for a total of \$4.431 billion. Of this, \$1.832 bn – or about 41 percent – went to EU countries. In the same period, Malaysia spent \$3.748 bn on arms, including \$2.316 bn worth from the EU, a share of 61 percent. Thailand imported military goods worth \$1.452 bn in total, of which \$698 million (48 percent) went to EU states. The city state of Singapore imported armaments worth a total of \$7.976 bn over the same period; \$2.977 bn (37 percent) was spent in EU member states.

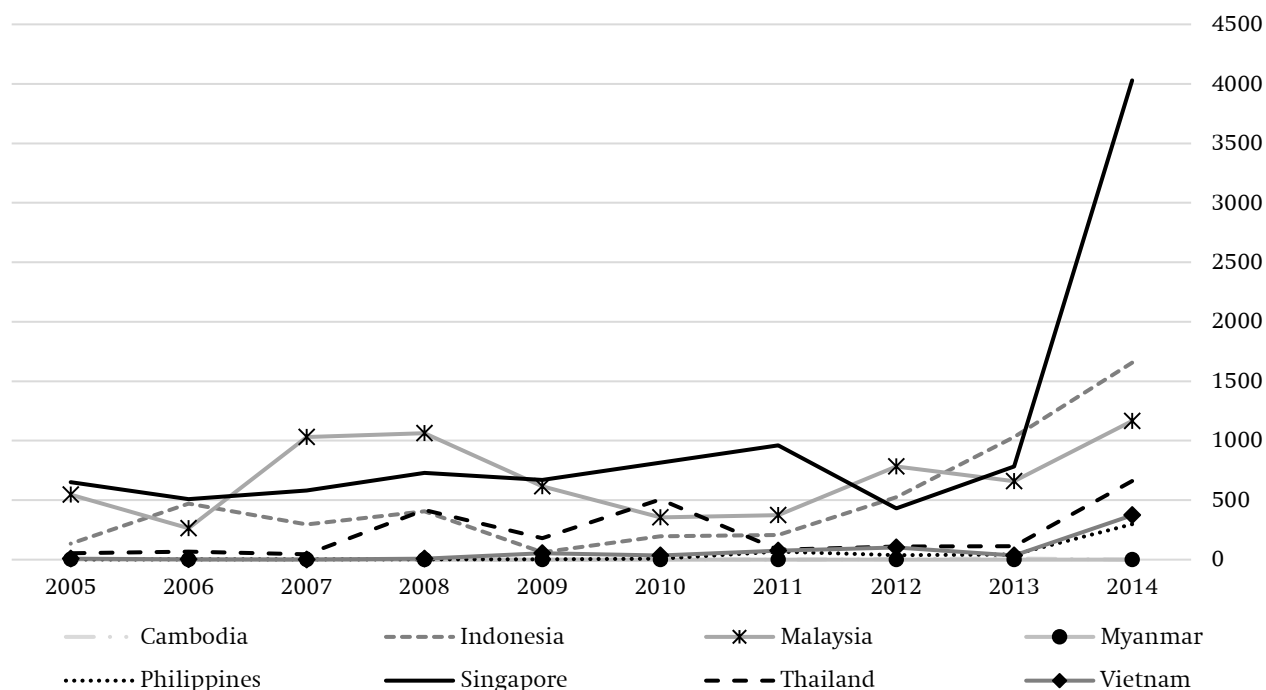
Even the Philippines, which do most of their arms shopping in the US, spent \$95 million of the \$389 million that they used for military goods between 2005 and 2015 in the EU – a share of 24 percent. During the period covered by this study, Cambodia bought the lion share of its new armament acquisitions from China, yet still spent \$36 million with EU manufacturers, a share of 14 percent of its total volume of \$252 million. Only Vietnam, 90 percent of whose arms expenditure between 2005 and 2015 (total: \$4.747 bn) benefited Russia, spent as little as 2.5 percent, or \$123 million, in EU member states. And Myanmar – which obtained almost all of its military goods (total volume: \$2.347 bn) from Russia and China, *inter alia* because of the EU arms embargo – only spent 0.85 percent (\$20 million) of the total in the EU (see Table 5, p. 23).⁷⁸

Against a backdrop of declining arms spending in Western Europe and the US, Asia has emerged as a central market for European arms producers. It is one of the few regions of the world in which defence spending and demand for arms imports have steadily increased over the past few years. Some observers believe that, without these rising exports to Asia, many of Europe's arms producers would have to reduce their current production capacities considerably. These companies are therefore making greater efforts to drum up sales in the region,⁷⁹ a development that also results in them increasingly competing with each other for lucrative deals there (as well as in South and

⁷⁸ All data taken from "SIPRI Arms Transfers Database", SIPRI (online), <http://www.sipri.org/databases/armstransfers> (accessed 5 May 2017).

⁷⁹ Dowdy et al., *Southeast Asia* (see note 62).

Chart 1
Arms exports EU–Southeast Asia, 2005–2014 (in millions of euros)



East Asia). One reason for the rising sales of EU armaments to Southeast Asia is the high quality of European military goods. This fact is converging with Southeast Asian states' growing demand for ever more modern and high-tech weapons systems (for instance, the latest submarines or radar-guided anti-ship missiles), some of which are only offered by very few arms companies in the world in any case.⁸⁰

From 2005 to 2015, Europe's arms manufacturers sold arms to each of the countries being studied – except for Myanmar, which is subject to an EU arms embargo, as mentioned above.⁸¹ The majority of these exports came from the Big Three (Germany, France, UK), but a whole host of other EU states also export arms in significant amounts. An exhaustive listing of all EU armaments exports to the eight Southeast Asian

states is beyond the scope of this study.⁸² The (incomplete) list below is primarily intended to reveal current trends and tendencies. In the army sector, German-built battle tanks and French-built self-propelled artillery pieces were sold to Indonesia in large numbers. Thailand obtained diesel engines in Germany for its armoured infantry vehicles bought in Ukraine. In the air force sector, Spain exported transport aircraft to Malaysia, Singapore, the Philippines and Vietnam. The Philippines also acquired British attack helicopters. The UK delivered portable Starstreak anti-missile systems to Malaysia, Thailand and Indonesia. Italian helicopters were sold to Thailand and the Philippines, German helicopters to Thailand, and French helicopters to Indonesia. High-performance radar systems from several European sellers went to Indonesia, Singapore, Malaysia, Thailand and Vietnam.

However, the majority of Europe's arms exports concerned the navy. France exported six frigates to Malaysia and two to Vietnam. The onboard artillery for the battleships ordered by Malaysia was manufactured in Sweden. Indonesia also ordered two Dutch-built frigates and obtained the associated anti-ship

⁸⁰ For example, only six exporters currently divide up the (growing) global market for submarines between themselves: China, France, Germany, South Korea, Sweden and Russia. Japan joined the circle in 2015, but has concluded no export deals to date (May 2017).

⁸¹ "Council Decision 2013/184/CFSP of 22 April 2013 concerning restrictive measures against Myanmar/Burma and repealing Decision 2010/232/CFSP", *EUR-Lex* (online), <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02013D0184-20140415&rid=1> (accessed 16 January 2017).

⁸² See also the SIPRI documentation, the *EU Annual Reports on Arms Exports* (see note 77) and the national arms export reports of the individual EU states.

Table 5
Share of EU member states in Southeast Asian arms imports
(in millions of US dollars and at constant 1990 prices)

	<i>Arms imports (total)</i> <i>2005–2015</i> <i>(in millions of US\$)</i>	<i>Of which from EU</i> <i>member states</i> <i>(in millions of US\$)</i>	<i>Of which from</i> <i>EU states</i> <i>(percentage)</i>
Cambodia	252	36	14%
Indonesia	4,431	1,832	41%
Malaysia	3,748	2,316	61%
Myanmar	2,347	20	0.85%
Philippines	389	95	24%
Singapore	7,976	2,977	37%
Thailand	1,452	698	48%
Vietnam	4,747	123	2.5%

Source: “SIPRI Arms Transfers Database”, SIPRI (online), <http://www.sipri.org/databases/armstransfers> (accessed 5 May 2017).

missiles in France, which also delivered the anti-ship missiles for the corvettes made in Singapore itself. The corvettes’ diesel engines in turn were built in Germany, and their artillery systems in Italy. Germany and Sweden also sold Thailand radar systems for frigates produced in South Korea. Singapore ordered two submarines from Germany.

Many of the recent armament deals between European arms firms and Southeast Asian customers also include transfer-of-technology agreements (ToT), some of them extensive. The deal to relocate part of the Dutch-frigate production to Indonesia and have Indonesian armament companies participate in the manufacture also boosts the transfer of technology and knowledge to the region. This should make the destination countries more autonomous in their arms policy in the long run; however, the process will be time-intensive and resource-intensive. Furthermore, the Southeast Asian countries have primarily licensed foreign-made weapons systems rather than building their own. It should therefore be assumed that arms imports will continue to play the principal role in enhancing the region’s military capacities in the short and medium term.⁸³

Based on the available empirical material, we can assume that a number of European states have directly contributed to the changing arms dynamic in

⁸³ Giacomo Persi Paoli and Elli Kytomaki, *Towards a Universal Arms Trade Treaty – Understanding Barriers and Challenges in South-East Asia* (Santa Monica: RAND, 2016), 9, http://www.rand.org/pubs/research_reports/RR1779.html (accessed 16 January 2017).

Southeast Asia through weapons exports. The growing demand for maritime armaments, especially in the littoral states of the South China Sea, has been serviced by European countries among others. Europe’s direct involvement in the military upgrading of the region challenges the widespread view in both Europe and Southeast Asia that the old continent plays no part in Southeast Asia’s “hard” (i.e. military) security policy.⁸⁴ As a matter of fact, a variety of European-made corvettes, frigates and submarines plough the waters of Southeast Asia, albeit with local crews aboard.

⁸⁴ Jonathan Holslag, “Europe’s Convenient Marginalisation”, *European Voice*, 5 July 2012, <http://www.europeanvoice.com/article/imported/europe-s-convenient-marginalisation-/74781.aspx> (accessed 16 January 2017); Paul Lim, “ASEAN’s Relations with the EU: Obstacles and Opportunities”, *EU External Affairs Review* 2, no. 1 (2012): 46–58; Naila Maier-Knapp, “The European Union as a Normative Actor and Its External Relations with Southeast Asia”, *Journal of Contemporary European Research* 10, no. 2 (May 2014): 221–35; Lay Hwee Yeo, “Can the EU Be a Serious Security Actor in Asia?”, *Asia Europe Journal* 11, no. 4 (December 2013): 465–67.

An Arms Race in Southeast Asia?

In general, it should be noted that the overall regional trend towards rising defence spending exists in all eight of the examined states as well – albeit in varying shapes and dynamics and with different outcomes. However, this analysis has also shown that there is currently no arms race in Southeast Asia in the classical sense. There is neither a lasting extensive antagonism between two or more states in the region, nor does each state upgrade militarily in anticipation of, or in reaction to, the changes made by other countries. It is certainly the case – in particular in Vietnam, Indonesia and the Philippines (under the Aquino government) – that a major cause of states' efforts to upgrade their military is their growing concern about China's increasingly aggressive stance as a threat to their own territorial claims, as well as the strategic uncertainty that this creates. However, these efforts are not in any way intended to gain parity with China or change the military balance of power with Beijing decisively to their own advantage. The former president of the Philippines, Aquino, described the idea of entering into an arms race with China as "idiotic".⁸⁵

Moreover, the boom in military spending is always also determined by the extent of internal security risks, especially in the shape of militant secessionist or Jihadist groups. This is the case for the Philippines and Indonesia, for instance, but also for Thailand and Myanmar. Besides, military upgrading in Southeast Asia is not characterised by very rapid quantitative or qualitative leaps – the majority of arms purchases is primarily used to modernise outdated equipment and has therefore not led to any notable quantitative increase in conventional weapons capacity. Nor has it significantly changed the military balance of power in the region. Moreover, available macro-data allow for no direct inference on how operable the existing weapons systems actually are. According to some estimates, for instance, more than a third of the Indonesian navy's vessels are not usable at all, or only to a limited extent.⁸⁶

⁸⁵ Nikko Dizon, "Aquino Takes Up Cudgels for Roxas", *Philippine Daily Inquirer*, 1 April 2016, <http://newsinfo.inquirer.net/777276/aquino-takes-up-cudgels-for-roxas> (accessed 16 January 2017).

⁸⁶ Schreer, *Moving beyond Ambitions?* (see note 27).

However, these findings should not be taken to mean that armaments policy in Southeast Asia over the past decade has exclusively concerned itself with modernising outdated stock so as to maintain the status quo. Quite clearly, the rearmament taking place is competitive (albeit below the threshold of an arms race). Whilst this has not resulted in a dynamic of action and reaction, the capacities particularly of the navies and air forces of almost all the states studied have been extended. The aim of these upgrades, however, is not so much obtaining conventional military superiority as acquiring (often asymmetrical) military abilities that can be used to curtail the freedom of movement and strategic options of perceived opponents.

A number of trends can be observed within the current arms dynamic in Southeast Asia. First, over the past decade the region's states have fundamentally expanded their defence orientation by surmounting their previous, almost exclusive, focus on domestic counter-insurgency and concentrating more on extending their capacities to defend the nation's borders instead. In many states, this development started from a very low level. The air force of the Philippines is a particularly dramatic example. In 2005 it decommissioned its last fighter jet. In 2014 the government in Manila ordered twelve South Korean fighter jets, ten of which have already been delivered.

Second, there is an equally (almost) uniform tendency to pursue the armament upgrades especially in the navy and air force. With the exception of Cambodia, all the examined states have tried over the past decade to modernise or even expand their navy and air force capacities. Particularly noticeable here is that many of the arms purchases in this domain are designed to extend the respective state's Anti-Access/Area Denial abilities and improve its control of its maritime territorial waters. For instance, Vietnam, Indonesia, Singapore and Thailand among others have recently acquired modern submarines equipped with long-range missiles and torpedoes. Indonesia, Malaysia, Singapore and Vietnam have additionally bought anti-ship missiles. Examples of expanded maritime control and surveillance capacities are the purchases of patrol boats, corvettes and frigates for the coast guards of

Vietnam, Indonesia, Malaysia, Thailand, Myanmar, Singapore and the Philippines and of modern radar systems by Indonesia, Singapore, Vietnam and Thailand.

Third, several of the countries studied are determined to expand their own arms industries. The Thai, Indonesian, Vietnamese and Singaporean governments have all publicly declared their intention to strengthen their national arms companies via government contracts and partnerships with foreign firms. States such as Singapore and Indonesia already sell the arms produced by their own manufacturers to neighbouring states including the Philippines and Myanmar. The region's states are also increasingly seeking to integrate specific agreements into arms deals, including with European states, amounting to a transfer of technology and knowledge (so-called ToT contracts). For instance, Indonesia regularly insists that significant proportions of its orders be given to its own arms firms – one of the three South Korean submarines ordered in 2012 is thus being built in Indonesia.

One explanation for the changes in the region's arms dynamics is the transformation of the immediate strategic environment. For a number of Southeast Asian states, discomfiture over China's increasingly aggressive behaviour in the South China Sea – combined with the uncertainty over what exactly Beijing's geostrategic ambitions in East Asia might be – has directly influenced the decision to modernise and upgrade their armed forces. Simultaneously, the trust of Southeast Asian governments in the sustainability of the current regional security architecture, which is based on bilateral alliances between the US and individual countries in the area, has diminished. There are several reasons for this. First, China's exclusion from the US-dominated regional security order. Beijing wants to challenge the US regional dominance – which it views as the expression of a China-containment strategy – at least in sub-regions, such as the South China Sea.

Second, Washington's Pacific alliance partners increasingly doubt the 'authenticity' of the US commitment to its leadership role in regional security. According to a widespread perception in Southeast Asia, the US has got bogged down in its interventions in Afghanistan, Iraq, Libya and elsewhere to such an extent that it is currently not willing or able to seriously oppose Beijing's increasingly brash behaviour in the region, and above all in the South China Sea. In particular, states that have their own direct

territorial confrontations with China see neither ASEAN – which they view as a largely dysfunctional regional security community – nor the US – whose commitment to regional leadership vis-à-vis a rising China they doubt – as a lasting security solution. Moreover, the new US President, Donald Trump, has openly questioned the future of the US-dominated regional security order, keeping strategic uncertainty in the region high.

The countries concerned therefore present their military upgrading – in the words of the Vietnamese defence minister – as a "normal activity": "Vietnam's policy is completely for self defence and we would never compromise any other country's sovereignty. But we must deter anyone who tries to compromise Vietnam's sovereignty."⁸⁷ It does not necessarily follow (at all) that the states are engaged in an arms competition aimed at parity with China. Rather, the main reason for the trend that has been noticeable over the past few years of upgrading particularly the asymmetrical and disruptive arms categories (submarines, mobile anti-ship missiles, etc.) is China's increasing challenge to US primacy in the Pacific and the simultaneous loss of trust in the sustainability of the US-dominated regional security architecture.

However, some of this study's findings also point to the existence of intra-regional factors. For instance, Malaysia's main expenditure for its air force during the period covered by this analysis was on acquiring transport aircraft. This was motivated by the incursion of militant groups from the Philippines into the Malaysian state of Sabah, in northern Borneo, in 2013. The military leadership in Kuala Lumpur is hoping that, in case of a renewed invasion, its improved transport capacities now put it in a position to send troops much more quickly than previously to the thinly populated and inaccessible state of Sabah.

In addition, there are a number of long-lasting territorial conflicts in the region. Besides the confrontation between the Philippines and Malaysia over northern Borneo (Sabah), Thailand and Cambodia are involved in a dispute over Preah Vihear temple and its surroundings; Indonesia and Malaysia over the Ambalat oil field in the Celebes Sea; and Singapore and Malaysia over Singaporean efforts at land reclamation in waters claimed by Malaysia, for example. Last but

⁸⁷ Quoted from "Vietnam Says Russian-bought Submarines for Self-defence", *Reuters*, 5 June 2011, <http://news.trust.org//item/?map=vietnam-says-russian-bought-submarines-for-self-defence> (accessed 17 January 2017).

not least, the Southeast Asian states' increasing expenditure on conventional arms can also be ascribed to their interest in boosting their respective national prestige compared to their neighbours through displays of military strength. For instance, the former president of Indonesia, Yudhoyono, repeatedly pointed out that the increase in his country's military spending was merely to modernise outdated stocks: "The answer is very simple: What Indonesia has is far behind that which our neighbours have. We only intend to bridge that gap so we can maintain our sovereignty and peace. For 15 to 20 years, our military modernisation did not proceed as it should have because of economic reasons and other pressing priorities".⁸⁸ However, it should be noted even with regard to these intra-regional factors that Southeast Asia's rearmament is not a classical arms race to obtain broad military superiority, but a case of (often fragmentary) investments in selected prestige projects.

Furthermore, alongside the external factors already mentioned, there are also domestic reasons behind the changing arms dynamics. Thailand drastically boosted its defence spending after the military putsches of 2006 and 2014, and cut state expenditure in other policy areas in return.⁸⁹ Thailand has no territorial dispute with China, and its conflict with Cambodia over the Preah Vihear temple has been frozen since a 2013 verdict by the International Court of Justice upholding Cambodia's claims. It does not perceive China as a threat, and yet it has upped its arms imports by almost 600 percent in the past five years. On the contrary, Bangkok's more recent foreign policy shows a rapprochement with China in response to US criticism of the military putsch of 2014.⁹⁰ In other states that also do not have acute conflicts with their neighbour China, such as Myanmar or Cambodia, defence spending in the period covered by this study has risen, in some sectors massively. One reason is a security and defence policy that focuses on internal threats. The government of Myanmar, for example, points to the multitude of militant groups that are active in the north and east of the country, where ethnic minorities live; Thailand's leadership to the

armed militia in the mainly Muslim South of the country. At any rate, the Cambodian, Thai and Burmese military already play a decidedly political role as guarantor of regime security (Cambodia), defender of the unity of the Burmese nation-state (Myanmar) and defender of the monarchy (Thailand), using these positions to legitimise continually rising military budgets. In Myanmar, which is still in a phase of transition from military dictatorship to democracy despite the free elections won by the opposition in late 2015, the constitution grants the armed forces far-reaching authority to exert political power. Important ministries – such as defence, interior and border-protection – are headed by active military personnel. Given its continued strong political influence and a weak parliament, the Burmese military has so far managed to prevent any reduction of the defence budget.⁹¹

As a consequence, the question of where military budgets are increased and arms purchased (and how), depends not only on the existence of external security threats, but also on the continued existence of internal ones, for example in the shape of militant Islamist and/or secessionist groups. Next to Thailand and Myanmar a further three of the eight states studied struggle with this kind of risk: the Philippines (MILF, MNLF, Abu Sayyaf and NPA, to name just a few of the militant groups active mainly in the south of the country); Indonesia (OPM, which fights for West Papua to be granted independence, and a number of militant Jihadist groups); and Malaysia (returning IS fighters).

These reasons, motivations and influences make it difficult to point to a single causal factor to explain the change in the arms dynamics of the eight states analysed. However, based on the study's findings, they can be grouped into clusters with similar characteristics in their stances on rearmament. During the period covered by this study, the fundamental (but not the only) reason for the substantial hike in defence spending and armaments purchases in the first cluster – consisting of Vietnam, the Philippines and Indonesia – was the strategic uncertainty over what goals precisely China might be pursuing with its increasingly brash and even aggressive behaviour in the South China Sea. The armament acquisitions of these states far exceed simple modernising measures, especially for their navies, for which certain weapons systems (e.g. submarines) were either newly obtained or else massively

⁸⁸ Quoted from "President Defends Jakarta's Planned Arms Buy", *The Straits Times*, 3 February 2012.

⁸⁹ Chambers, *Civil-Military Relations in Thailand since the 2014 Coup* (see note 63).

⁹⁰ Pongphisoot Busbarat, "Bamboo Swirling in the Wind": Thailand's Foreign Policy Imbalance between China and the United States", *Contemporary Southeast Asia* 38, no. 2 (August 2016): 233–57.

⁹¹ Maung Aung Myoe, "The Soldier and the State: The Tatmadaw and Political Liberalization in Myanmar since 2011", *South East Asia Research* 22, no. 2 (June 2014): 233–49.

upgraded both qualitatively and quantitatively. The primary goal of such upgrades is to extend the states' capacities to protect their territorial and maritime claims, and to pursue a general strategy of Maritime Domain Awareness (MDA), meaning a strategy of effective coastal surveillance. Admittedly, in the case of the Philippines, the initial level in terms of the quantity and quality of the respective military equipment was very low indeed. By contrast, for the second cluster – Singapore and Malaysia – the decisive factor underpinning changes made to the states' arms dynamics was intra-regional. Their defence spending barely rose in the period covered by this study, and the majority of their arms purchases can be ascribed to intra-regional rivalries and the corresponding threat perceptions. The two countries modernised their weapons systems to replace outdated arms categories and thus reduce disparity with other regional actors. They also use displays of military strength and state-of-the-art military equipment to maintain or increase national prestige compared to their neighbours. The third cluster – Cambodia, Myanmar and Thailand – has increased defence spending and arms purchases mainly for domestic political reasons: upheavals (putsch, transition), internal threats to national stability, and the strong political influence of the armed forces.

Outlook and Recommendations

Based on the research findings of this study, no direct link can be shown to exist between the rise in arms purchases (or even an arms race) in Southeast Asia and an increased probability of violent conflict breaking out in the region. Conversely, this does not imply that the military upgrading is likely to boost stability in the region. On the contrary, it entails a number of risks for stability and security in the Pacific, for the following three reasons:

First, the changing arms dynamic has contributed to heightened regional tensions and conflicts. These are based not so much on an objective increase in the risk of attack or war in Southeast Asia, but rather on growing threat perceptions, especially among the littoral states of the South China Sea. A number of them, first and foremost Vietnam, have responded to China's increasingly aggressive behaviour in the Sea by upgrading their own navy and air-force capacities, especially in Anti-Access/Area Denial and Maritime Domain Awareness, for example with submarines or modern anti-ship missiles on mobile launch pads. The already heightened threat perception has been further raised by the fact that some of the modern far-reaching conventional weapons systems that these states have invested in have both defensive and offensive features (e.g. submarines). States are responding to a perceived reduction of their security with rearmament that is often sector-specific. Against the backdrop of the many territorial and maritime disputes that continue to exist within ASEAN and between various ASEAN states and China, suspicions are also growing over the neighbouring states' 'real' power ambitions and over the reliability of the regional security architecture. This conflict situation speeds up the arms dynamic, which in turn heightens the possibility for security dilemmas.⁹²

Second, the growing mistrust in the region is further heightened by the lack of regional transparency regarding changes in the national arms dynamics. There has certainly been an increased awareness in

⁹² Incidentally, this also applies domestically. The upgrading of the national security forces, which is substantial in certain domains, is viewed with suspicion by armed non-state actors, especially in states involved in violent internal conflicts (e.g. Myanmar).

Southeast Asia since the 1990s of the potentially destabilising effect of a lack of transparency in arms policy. However, this realisation has so far largely (or only) manifested itself in words, not deeds. Regional organisations such as ASEAN, the ASEAN Regional Forum (ARF) or the ASEAN Defence Minister Meeting have not yet managed to impose a greater level of transparency in arms procurement policy. Any agreements reached on the issue fall far below international standards – and are thus far entirely voluntary.⁹³ The lack of political will among the analysed Southeast Asian governments to establish a viable regional security architecture, complete with working arms-control mechanisms and confidence-building measures, also shows in their international conduct. Global arms control agreements such as the UN Register of Conventional Arms (UNROCA) or the UN Arms Trade Treaty (ATT), which came into effect in 2012, have been repeatedly circumvented by almost all the states in the region. Governments only comply with their UNROCA reporting obligations in a partial and irregular manner. Not one of the eight states under study has ratified the ATT, and three (Indonesia, Myanmar and Vietnam) have not even joined it (see Table 6). The primary window onto Southeast Asia's arms policy is therefore the export reports of the supplier states.⁹⁴ However, the scope and quality of these reports are limited since a number of arms exporters – first and foremost China – publish barely any information on their arms exports.

⁹³ The agreements signed to date by ARF members include declarations of non-violence and non-interference; transparency measures (providing e.g. for the publication of defence White Papers for the purpose of exchanging information about national defence policies); and regional and bilateral meetings of defence ministers or high-ranking military delegations.

⁹⁴ Irene Pavesi, *Trade Update 2016: Transfers and Transparency* (Geneva: Small Arms Survey Graduate Institute of International and Development Studies, June 2016), <http://www.smallarmssurvey.org/fileadmin/docs/S-Trade-Update/SAS-Trade-Update.pdf> (accessed 16 January 2017); see also the website *Government Defence Anti-Corruption Index*, and in particular the remarks on "China 2015", <http://government.defenceindex.org/countries/china/> (accessed 16 January 2017).

Table 6
Accession to UN Arms Trade Treaty (ATT) of 2 April 2013

Country	ATT accession (yes/no)	ATT ratification (yes/no)
Cambodia	yes	no
Indonesia	no	no
Malaysia	yes	no
Myanmar	no	no
Philippines	yes	no
Singapore	yes	no
Thailand	yes	no
Vietnam	no	no

Source: “8th Arms Trade Treaty, New York, 2 April 2013”, *United Nations Treaty Collection*, https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVI-8&chapter=26&clang=_en (May 2017).

Third, the very fact that the quantity and quality of the available weapons systems are continually being enhanced raises the risk of escalation. The proliferation of ever better and ever more effective military goods into a region that is characterised by a lack of transparency in arms policy and a crumbling security architecture has led some states to adopt risky policies. In the context of spreading nationalism, growing power ambitions and an increased willingness to assert ‘natural’ claims to resources or territories, clashes between security forces are becoming more frequent, during which neither side wants to risk losing face. An example is the increasing number of confrontations in the South China Sea. These tendencies are overlaid by the strategic rivalry between the US and China, which also expresses itself in the two countries’ arms-export policies on Southeast Asia. Based on this study’s findings, it is safe to assume that the changed arms dynamic has a negative impact on regional security and stability.

As one of the main arms sellers to Southeast Asian states, Germany should face up to the knowledge that there is a link between arms exports and regional stability. It is clear that arms exports *de facto* have a direct influence on the respective state’s military capacities. An increase in these capacities can lead to changes in the military balance of power in the region, which in turn can alter actors’ strategic calculations and military behaviour.

The fact that German and other European arms firms are increasingly looking to Asia because of the dwindling military budgets and waning demand in what used to be their biggest markets should not

tempt governments to declare arms exports into the region to be a commercial end in itself. Foreign and security-policy considerations, which have so far played a subordinate role, must be publicly discussed much more than before. Arms exports are not at all exclusively economic in nature. However, they continue to be primarily seen as such. This economic primacy, which is not accompanied by any political or strategic discourse on the impact of European arms exports to the region, is especially surprising in the case of exports to the littoral states of the South China Sea. In the past few years, Germany and other European states have sold armaments to various parties to conflicts in Southeast Asia. And yet the South China Sea is described by all sides as a “conflict zone” and “geopolitical hotspot”. This phenomenon similarly applies to a number of other issues in security policy, such as the lack of civilian oversight over the military or human-rights abuses by state security forces in almost all the states analysed in this study. However, there is no sustained debate on these issues either, whether at the German or European level. Arms export policies on Southeast Asia are still viewed primarily from an industrial and employment perspective. It would be more appropriate to see them first and foremost as an instrument of foreign and security policy.

German and European strategy papers, whether general or Asia-specific, do not systematically reflect on the link between foreign and security policy on the one hand and arms-export policy on the other. It would be highly advisable to launch a debate on this connection to consider whether it is in Germany’s and Europe’s security interest for Southeast Asian states to react to, for example, China’s growing military dominance by upgrading their own militaries; what the effects on these states’ internal security situations are of the total lack of civilian oversight of their armed forces and the simultaneous extensive impunity enjoyed by those forces for their actions; what the connection is between the region’s unsolved conflicts and its changed arms dynamics; and what role German and European exports play in this.

There is currently a trend in Germany to link arms policy more closely with foreign and security policy, which is expected to be articulated in a new arms control law, *inter alia*. It would be desirable for this law to create a legal obligation to justify arms exports from the perspective of foreign and security policy. This would mean that, in future, the significance of any arms transfers in terms of foreign and security policy would be routinely assessed by a prior detailed

analysis of the recipient country. At present, Germany's legislation in this domain – the foreign trade act and war weapons control act – does not contain any such criteria. The “Political principles of the German Federal Government for the export of weapons of war and other armaments” from 2000 do include guidelines. However, they are not legally binding. The same applies to the “Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment”: it also lists criteria for the arms trade, but there is no legal provision either at the national or the European level to verify compliance.

In this context, critical reflection is needed on the effects of the growing transfer of armament technologies into the region. This transfer promotes the expansion of the national arms industries and is a specific challenge for German and European foreign and security policy: the use and proliferation of exported armaments are virtually impossible to control once the transfer of technology has occurred. An aggravating factor is that these exports concern a region that has established hardly any arms control mechanisms (see ATT) and that has no regional institutionalised confidence-building measures.⁹⁵

As one of the first signatories of the ATT, Germany should campaign even more strongly for its Southeast Asian partners to sign and ratify it as well. Whilst the ATT has a number of weaknesses, it is also the world's first ever basis in international law for arms control. However, given that none of the Southeast Asian states analysed in this study have so far ratified the ATT (and Indonesia, Myanmar and Vietnam have not even signed it), and given that almost none of them adequately comply with their reporting obligations, all strategic options should be considered in responding to treaty violations, including suspending arms exports. Germany could take on a pioneering role by tying all its arms exports to the recipient country joining and ratifying the ATT. In light of the results of the present study, this condition should also be part of the so-called Negative List, which is being discussed in connection with the new arms control law. This list would keep a record of states to which only limited arms exports are authorised, or none at all. That decision would be based on a fixed catalogue of criteria, which could take its bearings mainly from the Council

Common Position, but which should also encompass the criterion of ATT accession and ratification.

There has been no critical reflection at the European level on the link between foreign and security policy on the one hand and the arms exports of EU member states on the other. Economic factors are prioritised here as well – at times, individual EU member states even compete for access to markets and market shares. By contrast, foreign and security policy are hardly taken into consideration in arms export issues. The European Commission's Southeast Asia paper of 2015 touches on disarmament and the ATT in a mere half-sentence and does not even mention the EU's arms exports, despite the fact that it is in the EU's declared interests not to contribute to destabilising the region. Moreover, the criteria for European arms exports set out in the Common Position are interpreted differently by member states. For instance, Germany has sold over 100 Leopard battle tanks to Indonesia in the past few years – at around the same time the Dutch parliament declined Jakarta's request for Leopard tanks because of the human-rights situation in the country.

However, even tighter regulation of German and European arms exports cannot possibly resolve the causes underpinning the growing demand. Nonetheless it can contribute to establishing norms and sets of rules. After all, the growing interest of Southeast Asian states in importing arms is first and foremost an expression of inadequate conflict management and a regional security architecture that is dysfunctional in many respects. The geopolitical rivalry between China and the US increasingly complicates the region's security situation by superimposing itself on many of the previously bilateral conflicts.

The EU and some of its member states have in the past made positive contributions to domestic and intergovernmental conflict management in Southeast Asia. Germany and the EU would therefore be well-advised to further enhance their profile in the region as a potential neutral mediator and promoter of multilateral security structures and cooperation forums.

⁹⁵ Amitav Acharya, *Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order* (London and New York: Routledge, 2000)

Abbreviations

A2/AD	Anti-Access/Area Denial
AFP	Armed Forces of the Philippines
AMRAAM	Advanced Medium-Range Air-to-Air Missile
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
ATT	UN Arms Trade Treaty
bn	Billion
DSA	Defence Services Asia
EDA	Excess Defence Articles
EEZ	Exclusive Economic Zone
EXTRA	Extended Range Artillery
GDP	Gross Domestic Product
IISS	The International Institute for Strategic Studies
IS	Islamic State
MEF	Minimum Effective Force
MILF	Moro Islamic Liberation Front (Philippines)
MNLF	Moro National Liberation Front (Philippines)
NPA	New People's Army (Philippines)
OPM	Organisasi Papua Merdeka (Organisation for a Free Papua, Indonesia)
SIPRI	Stockholm International Peace Research Institute (Solna)
ToT	Transfer of Technology
UAV	Unmanned Aerial Vehicle
UNROCA	UN Register of Conventional Arms