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**EU Attempts to Lift Arms Embargo on China
and security balance in East Asia:
implications for East Asian integration process**

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- **KEY QUESTION:** DOES LIFTING ARMS EMBARGO ON CHINA “AFFECT THE REGIONAL BALANCE OF POWER IN EAST ASIA” (OR IT IS A REMNANT OF THE PAST)?
- **WHY?** Stable and cooperative Sino-Japanese relations is the key element for an integration in East Asia.
- **THEORY:** Realism
- **CONTRIBUTION:** China embargo has not been seen from this perspective, a case-study to test possibility of integration.
- **DATA:** Interviews (EU, Japan, China), primary & secondary sources



1989: EU imposed embargo on arms exports to China after Tiananmen Square incident

2003: European Council gave mandate to the European Commission “to re-examine the question of the embargo on the sale of arms to China.” (Fr&Ger)

2004: - European Council “invite[d] the Council to continue its consideration of the arms embargo in the context of the EU’s overall relations with China.”

- US, Japan severe critics: East Asia security balance would be undermined

- China stance: embargo is a political discrimination against China

- EU Council: “...arms exports should not be an increase of arms exports... neither in quantitative nor qualitative terms”

2005: - launch of EU, Japan, US, China strategic security dialogue on East Asia

- EU Council: importance of EU-China dialogue on human rights

- European Parliament: “.. arms embargo to remain intact until greater progress... made on human rights and on cross-Straits relations between China and Taiwan, ... until the EU makes its code of conduct on arms sales legally binding.”

Nowadays: EU follows code of conduct, not on the agenda

“...Europe is starting to fear the reborn state in which it infused substantial investments, aid, political efforts, and patience... *Albeit that Europe is widely appreciated as an alternative to the USA, distrust remains present.*” (Hoslang)



1) Military budget of China (foreign weapons, military-related R&D)

- Official figures'2008: \$59 bn (17.6% increase), 1.7% of GDP, \$45 per capita
- US estimates: \$139 bn, up to 4 % of GDP, No. 2 in the world
- Trend: 1999 – \$12 bn, 2002 – \$20 bn

China's Military capabilities

Air Force:

AWACS (Airborne warning&control system)

Chinese Fourth-generation Aircraft>Japanese SDF:

SU-27: more than 150

SU-30: anti-ship&anti-ground capability

SU-33?: carrier-based fighters

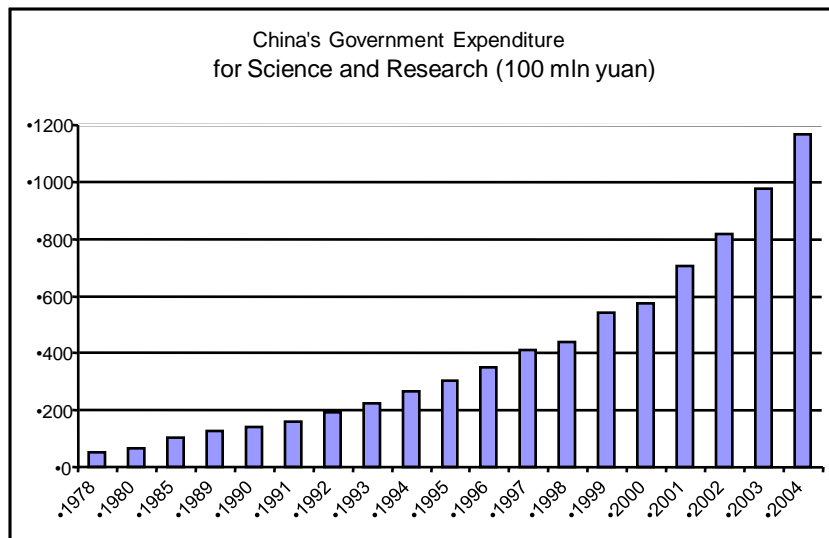
Naval Force:

Kilo-class submarines: little noise

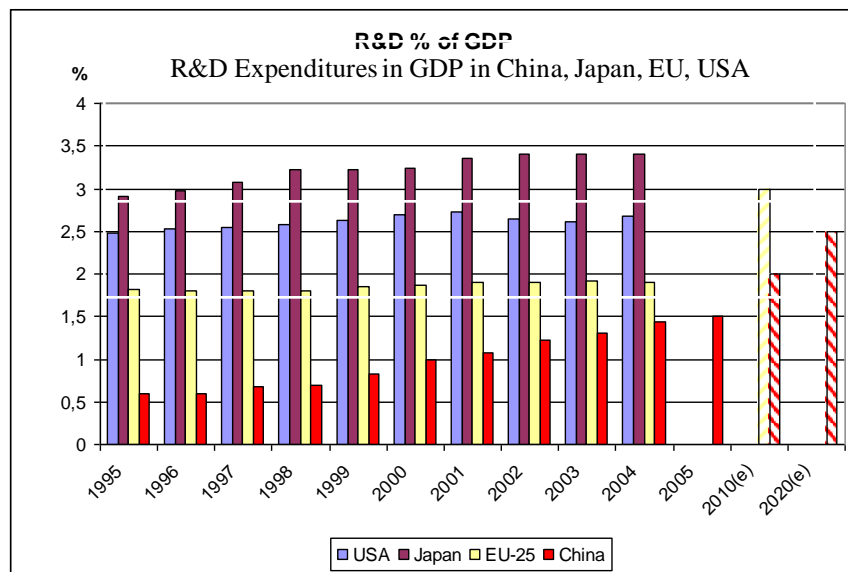
Sovremenny II: anti-ship capability



CHINA'S CURRENT TRENDS



Source: China Statistic Yearbook



2) R&D expenditures & Research centres

2006 - State Council of China adopted the Guidelines on National Medium- and Long-Term Program for Science and Technology Development (2006-2020):

- “by 2020, the progress of science and technology will contribute at least 60 percent to the country’s development. Meanwhile, the country’s reliance on foreign technology will decline to 30 percent and below.”

- MEANS: enterprises to spend more on research and development while state financial investment will be used to mainly develop basic research.

- 11 priority areas: energy, waters resources,...national defence.

- National defence: “China will reform the current scientific and technological management system and combine and coordinate the military and civilian research organizations.” (joint civilian-defence projects)

Research centres: economic resources, favourable tax regime, human resources (no shortage in HR)

Major areas: nuclear energy, space industry, high energy physics, biology, computer science, electric communications (advanced level).



3) Technology Transfer:

- **Galileo Navigation Satellite System (EU GPS)** – development of satellite guided navigation technology by domestic industry (military superiority in space is a key element to achieving operational objectives (PLA))

- **Areva & Airbus (corporate parent: European Aeronautic Defense and Space): \$30 bn**

160 passenger planes - about \$14.8 billion, Areva - \$11.9 billion to build nuclear reactors

Airbus: to award at least 5% of the supply contracts for its next-generation widebody jet, the A350-XWB to China and the share “may be enlarged based on the future business plan.”

Areva (nuclear industry): 2 reactors+technology&uranium to decrease coal dependency. China would buy 35% of the production of Areva’s uranium-mining subsidiary, UraMin, which plans to obtain the nuclear fuel from its three mines in Africa.

-**TT: China introduced 18 363 technologies from the EU with a contract value of USD79.4 billion (Sep’03).**

Dual—use goods: The sole embargo that is in force concerns the ban on arms deliveries that was imposed following the Tiananmen incident. *The real impact however is limited, given the fact that Europe turns a blind eye towards the substantial exports of dual-use goods which are applied in advanced systems such as submarines and fighter planes.* (I. Anthony)



Embargo is intact along with:

- **China's non-transparent military budget**
- **China's advanced military capabilities**
- **Promotion of R&D activities**
- **Technology Transfer to China from Europe**

↪ **The security balance in East Asia is being changed**

WHAT is China Embargo?: Remnant of the past? Matter of perceptions?



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THANK YOU