

CHINA'S ARMS EXPORTS IN THE INDO-PACIFIC, PART 1: A VIABLE ALTERNATIVE

BY GERALD MAKO

Gerald Mako *(gm430@cantab.ac.uk) is a Research Affiliate at the Cambridge Central Asia Forum at Cambridge University. His research focuses on military AI, including the governance of autonomous weapons systems, cybersecurity—particularly Chinese and Russian cyber operations and influence campaigns—and great power competition in Asia.*

With Beijing's military rise there has been much focus on the risk of war between the United States and the People's Republic of China, yet another aspect of the PRC's ascent has attracted far less attention: its growing role as an arms exporter. As the sophistication of Chinese weapons grows and increasingly incorporates autonomous and AI-enabled systems, the risk for Washington and its allies lies not only in the spread of advanced capabilities but also in the possibility that recipient states could develop long-term technological dependencies on Beijing.

From recipient to provider

Over the past three decades the PRC has risen to become the world's second-most capable military power. This transformation, however, was not linear. For much of the 1990s and early 2000s, the PLA remained heavily dependent on Russian equipment and designs, with many key systems either imported directly or produced under license. From the Type 56 assault rifle, derived from the AK-47, to the J-11 and J-16 fighters developed from the Su-27 and Su-30 families, respectively, the PRC had a wide reliance on Soviet and Russian-origin designs.

This dependence began to decline from the mid-2000s, as Beijing accelerated indigenous defense development while Russia grew increasingly reluctant to transfer its most advanced military technologies. The J-20 stealth fighter, the Type 055 destroyer, and a new generation of long-range missiles are the most visible results of that shift. While these programs continued to draw on foreign designs in specific components, they represent a significant move toward original development. This transformation is visible not only in the PRC's own force structure, but in how its defense industry is reshaping procurement choices across the wider Indo-Pacific.

Beijing's expanding defense-industrial base enabled it to offer more competitive systems on the international market, supporting the growth of its arms exports, and between 2021 and 2025 the country ranked as the fifth-largest arms exporter in the world. In addition to the growing technological capability of its weapons, the PRC's emergence as a major arms exporter rests on a commercial approach: It offers competitive prices, flexible financing, and a willingness to share technology through co-production. These terms have appealed to several African and Asian governments looking to modernize their forces without the political strings that often come with Western suppliers. For many Indo-Pacific buyers, these commercial terms dovetail with broader political and strategic calculations: Chinese offers can be framed domestically as "non-aligned" or "balanced" procurement choices, potentially allowing governments to extract better terms from Western suppliers while avoiding overdependence on any single external source.

As a result, Asia and Oceania have absorbed the bulk of Chinese arms deliveries. Between 2021 and 2025, 77% of the PRC's exports went to the region. While Pakistan remains the single largest recipient, Indonesia, Thailand, Myanmar, and Bangladesh have all engaged Chinese suppliers to varying degrees. The PRC's export portfolio spans combat aircraft, naval systems, air defense, and unmanned platforms. In certain cases, Chinese arms packages include not only training and maintenance support, but local assembly agreements as well. These arrangements are obviously important economically but also politically: Local assembly and licensed production can create pro-PRC constituencies within recipient states' defense industries and militaries, entrenching dependencies for long-term maintenance and upgrades that are harder to unwind than one-off platform purchases.

Even so, the volume of PRC arms sales should not be overstated. Beijing is far from the primary supplier for most Asian states, and its appeal varies country by country. For some buyers, Chinese systems are a budget alternative; for others, they are a hedge against Western political conditions or slow procurement timelines, but most states still favor established Western or Russian equipment. The reasons for this lie in concerns over interoperability, operational familiarity, reliability, after-sales support, political alignment, and Chinese equipment's lack of a long combat-proven track record. In context, while the PRC is the world's second-largest arms manufacturer, its global export share is only 5.6%, and actually slipped from fourth place after being overtaken by Germany this March.

In effect, to most of its buyers the PRC is a structurally important but still secondary supplier, shaping margins of capability and signaling options rather than wholesale orders of battle. This "second-tier centrality" limits Beijing's leverage yet has the benefit of allowing it to experiment with new systems and financing models without bearing full responsibility for partners' core deterrent capabilities. As of 2026, the platforms involved remain largely conventional. However, advances in unmanned systems, sensors, and data processing developed for the People's Liberation Army are creating the technical foundation for future arms offerings that will eventually incorporate greater autonomy and artificial intelligence.

Operational validation and export credibility

Since the mid-2010s, the PRC has increasingly relied on foreign operators to demonstrate the credibility of its systems, with South Asia providing some of the most visible examples. Successive agreements have delivered fighters, missiles, air defense systems, and naval platforms, accompanied by growing co-production arrangements. The JF-17 program, developed jointly with Pakistan, remains a cornerstone of this relationship and has been followed by the induction of the J-10CE, a more advanced but still cost-effective option.

The enduring limitation of Chinese military sales is the PLA's lack of combat experience. Sporadic border skirmishes with India—most recently in 2022 (and generally not involving firearms)—and with Vietnam until 1988 aside, the PRC has not fought a major war since its conflict with Hanoi in 1979. Chinese platforms do, however, gain visibility through Pakistan's operational use. In May 2025, Pakistan Air Force J-10CE fighters reportedly took part in engagements with India, with Beijing later confirming that it provided support during the conflict. It is no surprise that Chinese sources described its performance as effective and claimed no losses, although the outcome remains contested across Indian, Pakistani, Chinese, and US accounts. Regardless, the episode has since been used to strengthen the marketing narrative surrounding the J-10CE. For many prospective buyers across the Indo-Pacific, these episodes remain one of the few available proxies for combat validation. Prospective buyers slowly are transforming into actual buyers: In August 2026 Uzbekistan emerged as the J-10CEs second foreign operator with at least six aircraft, while Indonesia is expecting deliveries to begin around April 2027 for an order that can reach several dozen airframes.

Conclusion

Although it lags Beijing's expectations, the PRC arms export strategy is delivering results that go beyond simple price advantages. Competitive financing, technology-sharing arrangements, and visible operational use by Pakistan have given Chinese platforms greater credibility. For many Indo-Pacific states, Chinese systems now represent a viable alternative rather than a last resort. This does not mean a wholesale shift away from Western or Russian suppliers, but it does mean greater choice and more complex procurement calculations.

As from loitering munitions and loyal wingmen to decision-support software, autonomy and AI become embedded in exportable Chinese systems, regional governments will face more complex procurement decisions. In addition to the usual considerations of price, performance, and politics, they will also have to weigh new concerns over data sovereignty, algorithmic opacity, and the long-term strategic dependence that can arise when a foreign supplier shapes how their militaries perceive and process battlespace.

This next phase, incorporating artificial intelligence and autonomous systems, is already taking shape, as we will see in part 2.

The Pilot *commentaries and responses represent the views of the respective authors. Alternative viewpoints are always welcomed and encouraged. Please write to rob@pacforum.org for more information on how to contribute.*