

# PAKISTAN'S CONVENTIONAL ARMS ACQUISITIONS: PRIORITIES AND PROSPECTS

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In a recent editorial, one of Pakistan's leading newspapers lamented that the Indian Air Force (IAF) had professionally matched the US Air Force in mock combat and went on to conclude that the IAF did better than the Americans even when they were using the airborne warning and control system (AWACS) for the first time.<sup>1</sup> It reminded the readers that in the air exercises in 2004, IAF pilots with their old MiG-21s had outperformed the American F-15s and went on to argue that Pakistan must learn the lessons from such events and do something to build its capabilities in the air. This report also takes us back to the war in Kargil in the summer of 1999 where Pakistan had launched a military aggression across the well-established and mutually accepted line of control (LoC). Indian defence forces found themselves at a distinct disadvantage due to the strategic surprise achieved by the Pakistan military, and after the initial confusion, the IAF was called in.<sup>2</sup> The Pakistan Army fought back bitterly. But with the Indian Army inexorably advancing uphill to capture bunker after bunker on the barren mountains at above 14,000 ft. altitude, the IAF hammered their bunkers and destroyed their supply dumps, depriving the Pakistan Army of food and ammunition supplies. The Pakistan Army lost over 1,200 fighting men in the 42-day war, even leaving over 200 bodies unclaimed, and burying over 500 in unmarked graves in the Northern Areas of the occupied territory

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1. *Daily Times* (Lahore), December 5, 2005.

2. For an account of the war, see Jasjit Singh ed., *Kargil 1999: Pakistan's Fourth War for Kashmir* (New Delhi: Knowledge World, 1999). See also the government appointed Kargil Review Committee's official report, *From Surprise to Reckoning* (New Delhi: Sage, 2000).

without the normal military honours.<sup>3</sup> Even as all this was happening, Pakistan did not use its air force to support its army that it had launched against India. And this aspect has never been adequately explained.

This was indeed strange since the Pakistan Army prides itself in its honour, valour and fighting traditions; and in a country where the army occupies the dominant position in the national power structure, such elementary neglect of its troops getting killed fighting a war, is difficult to explain. It did use helicopters

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to ferry in supplies and two of them were even lost; but no combat aircraft were committed although they kept patrolling in the area. It is possible that the Pakistan Army leadership wanted to keep pretending that the fighters across the LoC were "Mujahideen" freedom fighters; but that façade was hardly sustainable by mid-

June. And yet the Pakistan Army leadership opted for the humiliation of a retreat across the LoC. The Pakistan Army lost heavily and its elected government, backed by the military leadership, finally had to invoke the good offices of the US president to arrange its withdrawal from Indian territory, ultimately resulting in the military coup three months later.<sup>4</sup>

The answer may well lie in the direction of modernisation of its military and the relative priorities that Pakistan has adopted.<sup>5</sup> The return of Pakistan to the position of a "frontline state" (this time against the monster that it had created) after 9/11 helped in this process. The widespread focus on acquiring the F-16 no doubt had political and psychological dynamics because of the past history. But a closer scrutiny would indicate that the current phase of military modernisation by the army-ruled country has been on enhancing air power and maritime aerial strike capabilities. To this must be added Pakistan's traditional strategy of seeking high-technology weapons systems to try and balance India.<sup>6</sup> The military

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3. *Herald*, March 2000.

4. Bruce Riedel, *American Diplomacy and the 1999 Kargil Summit at Blair House*, Policy Paper Series 2002, Centre for the Advanced Study of India, University of Pennsylvania, 2002.

5. Jasjit Singh, "Kargil Echo in Pak Purchases," *The Indian Express*, November 28, 2004.

6. Its clandestine nuclear weapons programme was also based on the same philosophy.

leadership in Pakistan has focussed primarily on the defence build-up, highlighting the strategic threats in the region. Kashmir has been a bone of contention between the two nations for more than 50 years and the military in Pakistan has boosted the issue within the country, adding to the insecurity of the nation and building a legitimate basis for its weapon modernisation. Pakistan had maintained a high defence budget at an average rate of 5.5 per cent of the gross domestic product (GDP) which, according to a retired air marshal of the Pakistan Air Force (PAF) did not include major weapon systems.<sup>7</sup> This insecurity has been further deepened by the fragmentation of the Pakistani society as the frequently changing regimes in Pakistan and fragile democratic structure have failed to generate a sense of nationalism in the country. Islamic extremism and *jihadi* terrorism have continued to prosper, creating a deep armament culture in the country.

During the early decades, Pakistan acquired arms mainly from the USA (for high-technology systems) and China (for low cost but efficient systems) although a certain proportion contributed by France. In fact, the massive US arms aid to Pakistan in the late 1950s provided it with both the incentive to initiate the 1965 War as well as demonstrated the philosophy of high-technology weapons providing a competitive advantage against India which, in any case, was saddled at that time with obsolete systems being employed after the war in 1962. The classic case was the shooting down of the first four Vampire vintage aircraft by a combination of F-104 Starfighters and F-86 Sabres on the opening day of the war, forcing India to withdraw these and older fighters from combat, thus, reducing the quantitative advantage that India was supposed to enjoy.

A mutual defence assistance agreement signed on May 19, 1954, between the US and Pakistan was the first formal bilateral security commitment between the two countries and also provided the legal basis to the US military assistance.<sup>8</sup> Following this, in the same year, the US officials presented a secret aide-memoire boosting the military aid to \$50 million with specific programme goals. The aide-

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7. Pakistan Air Marshal A. Rashid Shaikh, PAF (Retd), "Security and Development: Hobson's Choice," *Defence Journal*, vol. XXI, May-June 1996, p. 13, cited in Jasjit Singh, "Trends in Defence Expenditure," *Asian Strategic Review* 1998-99 (New Delhi: IDSA, 1999), p. 35.

8. Dennis Kux, *The United States and Pakistan, 1947-2000* (Oxford: Oxford University Press, 2001), p. 67.

memoire committed Washington to equip "4 army infantry and 1.5 armoured divisions, to provide modern aircraft for 6 air force squadrons, and to supply 12 vessels for the navy. The estimated cost of this programme was \$171 million."<sup>9</sup> America's interest in providing military aid to Pakistan was driven mainly due to two factors.

Firstly, the geographical location of Pakistan abutting the oil rich Persian Gulf region (where the US and UK had extensive commercial interests) and the strategic location of the Strait of Hormuz offered Washington easy access to energy resources and also a monitoring point for the southern Soviet Union and western China. Pakistan's strategically important location, in fact, turned it into a convenient launching pad for the Cold War strategies.<sup>10</sup> Secondly, fear of Soviet expansion into the Middle East.

Pakistan entered into the Southeast Asia Treaty Organisation (SEATO) in 1955 and the Baghdad Pact (renamed the Central Treaty Organisation (CENTO) after Iraq left the pact in 1956) ostensibly joining the chain erected by the United States around the Soviet Union and its then military-ideological ally, China, to check the spread of Communism.<sup>11</sup> This resulted in a robust inflow of military and economic aid for Pakistan. Being a member of these two security alliances provided Pakistan a stronger claim on US resources and the US also benefited with the regular interaction between the Pakistani civilian and military officials and their counterparts from the other member countries, including the United States. On the other hand, the US acquired a larger stake in the well-being of Pakistan.<sup>12</sup>

By the year 1957, Pakistan was receiving a massive amount of sophisticated military equipment, training and economic aid. The inflow from Washington included sophisticated Patton main battle tanks (MBTs), modern artillery, howitzers, F-86 jet fighter squadrons, F-104 Starfighter supersonic interceptors, air-to-air missiles, submarine,<sup>13</sup> and state-of-the-art radar, communications and transportation equipment. A further qualitative boost came from the military

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9. Ibid., p.69.

10. Pran Chopra, "Pakistan Squanders A Strategic Advantage," in Ajay Darshan Behera and Mathew Joseph, eds., *Pakistan in a Changing Strategic Context* (New Delhi: Knowledge World, 2004), p. 90.

11. Shahid Javed Burki, *Historical Dictionary of Pakistan* (New Delhi: Vision Books, 2003), p.337.

12. n.8, p. 74.

13. The first submarine to be introduced into the Indian Ocean by a developing country, as indeed was the F-104.

training by the US military teams and also in the US military schools to the Pakistan Army.<sup>14</sup> The US military also provided assistance in setting up intelligence and special operations facilities. While Pakistan failed to win the war in 1965, its military, nevertheless, projected it as a victory, especially in the air, and the thirst for high-technology systems intensified.

### AFFILIATION WITH CHINA

But even as the 1965 War was getting underway, Pakistan sent its recently retired air chief, Air Marshal Asghar Khan, to China to seek aircraft and weapon systems to meet Pakistan's "dire needs."<sup>15</sup> Pakistan's need for different sources was complemented with Zulfikar Ali Bhutto's approach which believed in maintaining relations with all the major powers whose interests lay in South and West Asia. On the other hand, Field Marshal Ayub Khan and his military associates were of a different opinion and stressed on maintaining ties with the

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United States, in order to build up the military capability which Islamabad felt was desperately needed in the case of a conflict with India or Afghanistan. Bhutto's diplomatic policy brought Pakistan closer to China and away from the United States. He also encouraged Pakistan to enter into several economic cooperation arrangements with China and the Soviet Union.<sup>16</sup> Not only China, but France also found a market for its weapons in Pakistan; but over time, China came to secure a much larger share owing to the following factors:<sup>17</sup>

1. Pakistan and China signed three pacts in 1963 which covered trade, civil aviation and borders wherein Pakistan illegally ceded large tracts of land in Shaksgam valley in Jammu and Kashmir (J & K) to China.

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14. n.8, pp. 86-87.

15. Asghar Khan, *The First Round: Indo-Pakistan War 1965* (New Delhi: Vikas, 1979).

16. Shahid Javed Burki, *Pakistan, Fifty Years of Nationhood* (Lahore: Vanguard, 1999), p.202.

17. Pakistan's weapon systems sourced from China now account for nearly 75 per cent of the total inventory.

2. China demonstrated open support to Pakistan in the 1965 War and also supplied war material, including T-59 tanks and MiG-19 fighter planes. This generated a favourable public opinion for China in Pakistan.
3. Chinese weapons turned out to be cheaper than the weapons from the West.
4. Credit from China was available on easy repayment terms.
5. Pakistan viewed China as a more reliable partner compared to the US.<sup>18</sup>

Pakistan received interest free economic aid and also a significant amount of free weapons from China and became the only non-Communist Third World country to receive generous assistance from it.<sup>19</sup> Chinese military assistance has not only been in the form of arms but also for the development of indigenous facilities for defence production in Pakistan. The Sino-Pak strategic relationship continued to grow, given the mutual goals of countering India and reducing Pakistan's dependence on the USA and the West.

China supported Pakistan in its efforts at indigenisation in defence production. Some of the examples of Chinese assistance include: the facilities at the Heavy Rebuild Factory (HRF) at Taxila for overhauling and upgrading Chinese Type-59 MBTs, and licensed production of the Chinese Type-69 MBTs, the Heavy Mechanical Complex (HMC), located in Taxila, a major heavy engineering subsidiary of the State Engineering Corporation (SEC) and the F-6 Rebuild Factory (F-6RF) at Kamra.

### THE ARMS PIPELINE REOPENS IN THE 1980s

The Soviet invasion in Afghanistan in the December 1979 led the Americans to review their South Asian policy and, consequently, Pakistan entered into a new engagement with the US. Pakistan was declared a "frontline state" and in return received massive military aid.<sup>20</sup> General Zia-ul-Haq managed to negotiate an elaborate military and security-related aid package of \$3.2 billion.

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18. Pervaiz Iqbal Cheema, *The Armed Forces of Pakistan* (Oxford: Oxford University Press, 2002) p. 164.

19. Ayesha Siddiqi-Agha, *Pakistan's Arms Procurement and Military Buildup, 1979-99: In Search of a Policy* (London: Palgrave, 2001), p.105

20. Immediately after this development, President Carter unveiled his doctrine, which included, "assembly of a Rapid Deployment Force (RDF), increase of naval presence on the Indian Ocean, a collective security framework in the region and a commitment to the defence of Pakistan by transfer of significant amount of weapons and dollars." *The New York Times*, January 25, 1980, as cited by Hamid Hussain, "Tale of a Love Affair that Never was: United States-Pakistan Defence Relations," at <http://www.defencejournal.com/2002/june/loveaffair.htm>

The US military assistance programme included the sale of 40 F-16 Falcon multi-role combat aircraft, one of the most advanced military aircraft in the world at that time. Pakistan also received Harpoon anti-ship missiles, upgraded M-48 tanks, tank recovery vehicles, towed and self-propelled field artillery, attack helicopters, and second-hand destroyers.<sup>21</sup> The second US package worth \$4.02 billion commenced in 1987 but was suspended due to the US arms embargo in 1990 due to Pakistan crossing the “red line” to acquire nuclear weapons capability.

Chinese weapons, being cheaper, continued to hold a significant share in the Pakistani inventory. Although arms from China were technologically not as superior as those from the West, they were capable systems that were affordable and provided quantity to boost Pakistan’s military powers. In fact, by the early 1980s, China had provided Pakistan with roughly 75 per cent of its tanks and about 65 per cent of its aircraft.<sup>22</sup>

### **ECONOMIC CONDITIONS WORSEN**

Pakistan’s prosperity grew during the period it was the frontline state conducting the American war in Afghanistan. The early 1980s witnessed accelerated economic growth with the GDP growth rate at 6.5 per cent – much higher compared to the previous decade (1970s) and the following decade (1990s) where it stood at 4.8 per cent and 4.6 per cent respectively. General Zia’s liberalisation policy, complemented by American aid boosted the industrial growth in Pakistan. Remittances from the Middle East were another significant contributing factor in this period. During 1977-83, the accelerated worker remittances increased the gross national product (GNP) growth rate to 7.6 per cent per annum, the highest figure registered in the Pakistan economy.<sup>23</sup>

Defence expenditure in Zia’s period was maintained at a high rate of approximately 6.5 per cent of the GDP. Apart from high defence allocations on the national front and the US assistance, a significant portion of the weapons

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21. Rodney W. Jones, “The Military and Security in Pakistan,” in Craig Baxter ed., *Zia’s Pakistan, Politics and Stability in a Frontline State* (Lahore: Vanguard, 1985), p.83

22. Cheema, n. 18, p. 164.

23. Pervez Hasan, *Pakistan’s Economy at the Crossroads, Past Policies and Present Imperatives* (Karachi: Oxford University Press, 1998), p.237.

supply was financed by the Arab states as well.<sup>24</sup> Large quantities of sophisticated arms (which included the Stinger surface-to-air-missiles) came from various sources including the Central Intelligence Agency (CIA) pipeline for the Mujahideen fighting the Soviets in Afghanistan.

### **ARMS ACQUISITIONS FROM 1990-2005**

American military and economic aid came to a halt following the sanctions in 1990. The sanctions were highly damaging in nature as they not only suspended the US military aid and assistance but also the procurement of essential spares was blocked. Intensive lobbying by Pakistan in the US resulted in some relief under the Brown Amendment, passed in 1995. The Amendment permitted taking possession of the military equipment frozen in the United States, with the exception of nuclear capable F-16 combat aircraft.<sup>25</sup> Pakistan had paid for 28 F-16s, which were manufactured against the 1987 order of 110. But following the sanctions, the F-16s were not supplied. The United States government tried to help dispose of these aircraft to Indonesia to help Pakistan recover the money. But owing to the economic crisis of 1997 in Southeast Asia, it was unsuccessful. These sanctions actually impacted the PAF's capability and created confusion in the PAF planning and procurement regarding the replacement of this aircraft. The post-nuclear test sanctions 1998 further hampered Pakistan's weapons supply as the United States persuaded the other G-7 countries to impose similar sanctions.

Pakistan, with its nationalist ego boosted by the nuclear weapons tests (which it also believed would deter India from any robust response), launched the war in the Kargil sector of J&K in early 1999. This misadventure not only led to its defeat but also triggered the return of the army in control of the country, displacing the elected government in the coup of October 12, 1999. With the reemergence of the military regime, another set of mandated democracy sanctions was imposed on Pakistan, with a pressure to return to democracy, reducing the possibility of acquiring high-technology weapons

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24. See n.21, p. 83.

25. For details, see Kux, n. 8.

**Table 1. Pakistan's Major Arms Acquisitions in the 1970s and 1980s**

Supplier	No. ordered/ delivered	Weapon designation	Weapon description	Year(s) of delivery
China	115	F-6	Fighter	1971-81
	142	Q-5 Fantan-A	fighter/grd attack	1983-86
	1044	T-59	MBT	1970-86
	50	T-60	Light tank	1981-82
	50 & 200	T-63 & Type 531 respectively	Light tank & APC respectively	1972-76
	4	Hainan Class	PC	1976-80
	4	Hegu Class	FAC	1981
	4	Huangfen Class	FAC	1984
	4	Huchuan Class	Hydrofoil FAC	1973
	12	Shanghai Class	PC	1972-73
France	3	Breguet-1150	Maritime patrol/ ASW	1975-76
	72	Mirage-5DP/ 5P/5R	Multi-role combat aircraft	1971-83
	36	Crotale SAMS	Mobile SAM system	1977-78
	432	R-440 RBS	Landmobile SAM	1977-78
	2	Agosta Class	Submarine	1979-80
Iran	5	C-130E Hercules	Transport	1974
Jordan	10	F-104A	Fighter	1971
Portugal	1	Daphne Class	Submarine	1975
UK	6	SH-3D Sea King	Helicopters	1975
	1	County Class	Destroyer	1982
USA	5	C-130B Hercules	Transport	1974-81
	40	F-16A/B	Multi-role combat aircraft	1981-84
	300	M-113	APC	1973
	135	M-48-A5	MBT	1982-85
	6	Gearing Class	Destroyer	1977-83

Source: Register of the trade in major conventional weapons with Third World countries, 1971-85, as cited in, Michael Brzoska and Thomas Ohlson, *Arms Transfers to the Third World, 1971-85* (SIPRI) (New York: Oxford University Press, 1987), pp.230-233.

from the West. The result was that China's preeminence in Pakistan's arms imports continued in the 1990s (see Table 3).

Though the US supply routes remained closed for Pakistan in the 1990s, the nation continued to diversify its sources. China remained a regular supplier of military hardware to Pakistan. French supplies, even though expensive, were acquired in a significant number. The Agosta 90 B submarine deal was successfully negotiated with France. Italy's offer has been limited to sub-systems and components. Some equipment was supplied from the United Kingdom and Ukraine.

By the late 1990s, Pakistan had a dwindling economy and a collapsed democratic structure. In Pakistan, various experts and studies by independent think-tanks questioned and debated its viability as a state. Fears were raised about its prospects as a "failing state." But the September 11, 2001, terrorist attacks in the United States led to a major strategic shift for Pakistan and once again it became important for America owing to its global war against terrorism

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and a desperate need of Pakistan's cooperation in pursuing its military campaign against the Al-Qaida and Taliban. Pakistan was declared the "frontline state" against its own creation, the Taliban, owing to the pressures and benefits offered by the Americans. Pakistan was nearly bankrupt, with a crippled economy, and had neither the military and economic power, nor the will to stand against the US wishes. On the other hand, Washington agreed to provide Islamabad both military and economic support in response to its cooperation in the

war against terrorism. The new US-Pakistan relationship helped Pakistan to get out of the economic and military decline and it received substantive military assistance in a variety of ways. The immediate step from the Bush Administration was the waiving of the US sanctions on Pakistan resulting from its 1998 nuclear tests and the "Democracy Sanctions."

Pakistan in return offered its complete military support to the US and agreed to the use of Pakistani air bases by American forces for “search and rescue” missions. This cooperation was crucial from Pakistan’s side and led to charges of surrendering the nation’s sovereignty to the Americans. Musharraf faced violent reactions from the masses in the country, with the Shahbaz air base Jacobabad, and Pasni and Dalbandin air bases being used by the US forces. Also, the US and Coalition

forces had complete leverage in terms of use of Pakistan’s air space. US presence on the Pakistani bases had an advantage as the US made substantial investments for renovating the bases for their use and in addition paid Pakistan for providing security for the bases. The Shahbaz air base Jacobabad, for example, went through extensive construction work to renovate the base, including the installation of radar equipment. Pakistan has also been able to obtain US equipment and other support systems, including intelligence, which has been actively operating in the war against terrorism. In September 2003 alone, in order to enhance surveillance capability, the supply of US air traffic control radars as well as associated equipment and services worth \$110 million was authorised to Pakistan.<sup>26</sup>

In February 2002, Pakistan and the US signed a defence cooperation agreement and Pakistan agreed for American forces to use its military equipment for training and other military exercises. Pakistan has also agreed to provide other facilities like food, water, medical services and transportation to the US forces operating in Afghanistan. A status of forces agreement signed between the two nations provides US military personnel and non-military people with privileges equivalent to US diplomatic staff in Pakistan.<sup>27</sup>

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26. US Defence and Security Cooperation Agency at <http://www.dsca.mil>

27. Zhang Lijun, “Pakistan and US: A Surging Alliance,” at <http://www.bjreview.com.cn>

Taking a step towards institutionalising the military relationship with Pakistan, the US, in an important strategic move, designated Pakistan as a “major non-NATO ally” in March 2004. Previously, only three Muslim countries had been accorded this status – Bahrain, Egypt and Jordan. Australia, Japan Israel, Philippines and South Korea are the non-Muslim countries that fall in this category. The status of a major non-NATO ally has not only enhanced Pakistan’s stature but has also given it a distinct advantage in terms of obtaining greater US military and security assistance, including the best possible defence equipment, spare parts, training and assistance through defence exports loan guarantee and also priority in the delivery of the defence material. The modern US inventories and also the spare parts of the US

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equipment being used in Pakistan are now accessible for the Musharraf regime. One of the most important advantages of this designation is that Islamabad would be able to obtain what is called “excess equipment.” These are the weapons and equipment which the US may not need any more and which may be transferred at nominal rates. Pakistan would also get the weaponry which the US forces have used during their operations at the Pakistani bases and facilities. The status

also allows Pakistan to formally host the US forces stationed there since September 2001.

### **MOVING OUT OF THE ECONOMIC DOLDRUMS**

In contrast to Zia’s period in the 1980s, the 1990s saw depressing economic growth rates. There was a deceleration in both growth and investment and the economy suffered macro-economic imbalances in this period. The decade of the 1990s was marked by declining growth, large fiscal imbalances, rising inflation, declining public sector investment, deterioration in physical infrastructure and deplorable state of the social sector. The GDP growth declined to an average 4.6

per cent in the 1990s as compared to 6.5 per cent in the 1980s. The large fiscal deficit led to an increase in the public debt, According to the *Pakistan Economic Survey 2000-01*, public debt went up from Rs.802.1 billion in 1990 to Rs. 3,198.1 billion by 2000. The increase in the debt subsequently resulted in rise in debt servicing which suffocated the economy during the 1990s.

The International Monetary Fund (IMF) and the World Bank have been deeply involved with the Pakistani economy since the 1990s. The macro-economic imbalance in the economy led the country to enter into a continuous process of structural adjustment programmes with the two financial institutions. These programmes have been focussing on the reduction of the fiscal deficit and the defence expenditure. Pakistan received strict instructions from the IMF to control any further increase in the defence spending. Despite the pressure from the IMF, defence expenditure rose from Rs 18 billion in 1981-82 to Rs 142 billion in 1999-2000 and remained at an average of 25 per cent of the total national expenditure, leading to significant cuts in the development expenditure. As compared to the decade of the 1980s, the defence expenditure came down slightly as a percentage of total government expenditure in the late 1990s, but this was due to the fact that the government expenditure went up owing to high debt servicing.

The US financial assistance was a relief for the Pakistani economy which stood suffocated with the constantly declining growth rate and large fiscal deficit. Pakistan received approximately \$1.5 billion in debt relief. In April 2003, President Bush signed into law the emergency Wartime Supplemental Appropriations Act, 2003, and Pakistan was allotted \$200 million in additional fiscal year (FY) 2003 security related assistance.<sup>28</sup> In 2003, Washington announced a five-year \$ 3 billion aid package for Pakistan, with its commencement in 2005. This aid package is scheduled to be split equally between economic and military aid.<sup>29</sup> According to Secretary Powell, the US assistance package to Pakistan constitutes one of the "largest US assistance programmes" in the world. Once again, it is the external aid which helped the Pakistani economy to recover, and,

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28. CRS Issue Brief for Congress, Alan Kronstadt, Foreign Affairs, Defence and Trade Division, "Pakistan-US Relations," Updated February 6, 2004. Order code -IB94041, at <http://www.usembassy.it/pdf/other/IB94041>

29. Ibid.

**American assistance further boosted the defence budget and it is on a constant increase. Military spending went up from Rs 16, 9761 million in 2001 to Rs 22, 8996 million in 2004. With the growth in the defence budget, the conventional weapons imports have multiplied, specifically in 2002 and 2003.**

not the required national macro-economic measures within the system treating the loopholes in the economy.

The annual budget of FY 2000-01, for the first time, separated the pensions of the retired military manpower from the defence expenditure and these allocations were reflected under the head of general administration. Thus, the official defence budget in the fiscal year 2000-01 registered a drop from Rs 142 billion in the previous year (1999-2000) to Rs 133.5 billion. But if the defence pensions of Rs 26.1 billion were added to the budget, it would show an increase of around Rs. 17 billion.<sup>30</sup>

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**Table 2. Imports of Major Conventional Weapons (2000-2004)**

<b>Year</b>	<b>Imports of Major Conventional Weapons (in US\$ million at constant (1990) prices.</b>
2000	144
2001	354
2002	559
2003	617
2004	344
2000-2004	2,018

Source: Stockholm International Peace Research Institute, *Yearbook 2005*, (New York: Oxford University Press, 2005), p. 449.

30. Dr Pervez, "Redefining Defence Expenditure," *Dawn*, July 6, 2000.

## CONCLUSIONS

The Pakistani elites, over the decades, have convinced themselves and recycled this belief that India is Pakistan's "enemy number one" which, in turn, facilitated the military's assumption of the preeminent and pervasive position in the national power structure for most of Pakistan's existence. In turn, this also made arms acquisitions unanswerable to public or political influences. In specific, they have sought to build military power on the basis of this fundamental strategy and, hence, pursued:

- Acquisition of high-end military technology (and nuclear weapons formed part of the same philosophy) to neutralise what it has perceived as India's conventional military superiority.
- External political support for its policies and supply of sophisticated arms (essentially from the USA and China).
- Building indigenous arms production capabilities to reduce dependence on outside sources. China has provided substantive support in this process.

Within this overall strategy, there is a perceptible trend since the Kargil War in 1999 which received an impetus after 9/11 and the military confrontation when India threatened war after the horrendous terrorist attack on the Indian Parliament on December 13, 2001. Pakistan is according the highest priority to modernisation of its air power, followed by naval capability (within which there is emphasis on long-range maritime surveillance and aerial strike), with land forces receiving the lowest attention since 1999. This, of course, is consistent with global trends because of the increased potency of air power in future wars. Two years after the Kargil War, the then PAF chief Air Chief Marshal Mushaf Ali Mir had stated a few days before 9/11 (when sanctions were in full force) that President Pervez Musharraf was totally supportive of the air force and that his "first and foremost priority is the air force."<sup>31</sup> The air chief confirmed that they were in the process of receiving 46 F7-PG

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31. Air Marshal Mushaf Ali Mir's interview, *The News*, September 5, 2001 cited in Pakistan Military Consortium at <http://www.pakdef.info/pids/paf/interview.html>

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from China ordered recently (to replace the F-6 combat aircraft). He went on to state, "We are also inducting new high level radars to enhance our surveillance capability. Our planning is to conduct such roles/missions which yield strategic effects for our military operations" no doubt, as part of the lessons learnt from the Kargil fiasco. He acknowledged that the air force was "endeavouring hard to maintain a minimum level of force and keeping it potent" and went to confirm that 30 Mirages had been provided with avionics (including the Italian Grifo fire control radar) to make them as capable as the F-16s. More recently, Prime Minister Shaukat Aziz stated that the "government was according top priority to the country's air defence and would provide all necessary resources to boost its capabilities."<sup>32</sup>

The development of the JF-17 Thunder, the China-Pakistan joint venture, was expedited after 1999 and the aircraft are expected to be inducted by 2007. Pakistan expects to purchase more than 250 fighters of this variety. It has been seeking the Erieye Swedish airborne early warning radar system. It had been evaluating the Swedish JAS-39 Gripen before being assured of the F-16 package. Meanwhile, there have been numerous reports of Pakistan's interest in the Chinese J-10 aircraft which is claimed to be superior to the F-16. Apart from helicopters,

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combat helicopters and transport aircraft from the US and China, Pakistan has placed orders for the AN/TPS-77 and L-88 Lass-Air surveillance radars. Pakistan also has access to US equipment and other support systems, including intelligence systems, which have been actively operating on its territory. The US Administration has been quite liberal in approving Pakistan's demands for the equipment on the assumption that Pakistan's

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32. "Aziz Pledges all Resources to Enhance PAF Punch," *Dawn* (Karachi), September 12, 2005.

**Table 3. Pakistan's Major Arms Acquisitions**

<i>(a) Pre-Kargil Acquisitions: 1990-1998</i>				
<b>Year(s) of delivery</b>	<b>Weapon designation</b>	<b>Weapon description</b>	<b>No. ordered/delivered</b>	<b>Source-Supplier/Licenser</b>
1990-92	Mirage 30	Fighter	50	Australia
1991-99	Technology for the licensed production of T-69-II	MBTs	250+	China
1991-98	M-11	Short-range ballistic missiles	80+	China
1992-97	T-85II, T-85IIAP & Type 85III	MBTs	264, 3 & 1	China
1993-95	Amazon-class Type 21	Frigates	6	Britain
1993	F-7P	Combat aircraft	40	China
1993	F-7P	Combat aircraft	40	China
1994-96	3 Lynx HAS - 3	ASW helicopters	3	Britain
1994	K-8	Trainer aircraft	6	China
1994	SA316 Alouette III	helicopters	4	France
1994	"Moawin"	Fleet tanker	1	Netherlands
1994-96	Fokker F27-200	Aircraft	5	Netherlands
1995	Armoured combat vehicles		20	China
1996-97	P-3C (update 2.75)	Orion maritime reconnaissance and strike aircraft	3	USA
1996-97	Harpoon	Anti-ship missiles for the P-3C Orions	28	USA
1996-97	AIM-9L	Missiles	498	USA

1996-97	M-I98	155 mm towed guns	24	USA
1997	Bell-209 / AH-IS	Helicopters	10	USA
1996	Breguet Atlantique-1	MPA and strike aircraft	3	France
1997-1999	AT-11 Sniper / 9 M119	Anti-tank missiles	Over 1,400	Belarus
1997-2001	Type-347G	Fire control radar	3	China
1998	130mm guns	Large calibre artillery systems	27	China
1998-2000 1998	Mirage IIID / 5 Tanks T 80 UD	Combat aircraft Main battle tank (with 125 mm gun)	48 110	France Ukraine

***(b) Post-Kargil Acquisitions: 1999-2005***

<b>Year(s) of delivery</b>	<b>Weapon designation</b>	<b>Weapon description</b>	<b>No. ordered/delivered</b>	<b>Source-Supplier/Licenser</b>
1999	Upgraded Mirage-IIID/V	Combat aircraft	8	France
1999-2003	Agosta 90 B	Submarine	3	France
1999-2004	F-17P	AS torpedo	96	France
1999-2004	SM-39 Exocet	Anti-ship missile	24	France
1999	T-80 UD ( with 125 mm gun)	Battle tank	105	Ukraine
2000-2001	AT-11 Sniper / 9M119	Anti-tank missiles	Less than 520	Belarus
2000	130 mm guns of Type 59-1	Large calibre artillery systems	60	China
2000-2001	Technology transfer for the construction of Jalalat-class FAC	Missile- armed	2	China

2000-2001	C-802/CSS-N-8	Anti-ship missiles	24	China
2000-2008	K-8	Fighter/trainer aircraft	75-100	China
2000-2002	Mirage V	Combat aircraft	11	France
2000-2004	Grifo radar	Combat aircraft fire control radar (for Mirage and F-17/7 combat aircraft)	192	Italy
2000-2001	Technology transfer for the assembly of M-113A2	APCs	30	USA
2001	F-7 MG	Fighter aircraft	40	China
2001-02	F-7 PG aircraft	Combat aircraft	46	China
2002-2006	Jiangwei	II class frigates	4	China
2002-2003	SM-39	Exocet anti- ship missiles	40	France
2003-04	122 mm D-30 (Howitzer)	Large calibre artillery systems	143	China
2003	A-5	Combat aircraft	6	China
2003-2004	S-70/UH-60 Blackhawk	Helicopter	6	USA
2003	T-37 B*	Aircraft	19	USA
2004	Type 85	Main battle tanks	10	China
2004	Type-347G	Fire control radar	2	China
2004	C-802/CSS-N-8 Saccade	Anti-ship missile	16	China
2004	PL-12/SD-10	BVR AAM		China
2004	Bell-412EP	Helicopters	26	USA
2004	C-130E Hercules*	Transport aircraft	6	USA
2004	Bell-205/ UH-1 H	Helicopter	40	USA

2004	Bell-209 / AH-1F*	Combat helicopter	40	USA
2004	BGM-71 TOW	Anti-tank missile	2,014	USA
2004-05	P-3C*	MP and strike aircraft	8	USA
2005	F-16 A*	Multi-role combat aircraft	2	USA
Year of order 2005	AGM-84 L/ RGM-84L respectively	Air/surface launched missiles	60	USA
2005	C-130E Hercules	Transport aircraft Ex-RAAF	7	USA
Delivery possibly starting 2006	FC-1/JF-17	Multi-role combat aircraft	150	China-Pakistan joint venture

\* US Excess Defence Articles which are normally transferred at a price of less than 10 per cent of the original. For example, the cost of each F-16 is a little over \$6 million.

Source: Based on Stockholm International Peace Research Institute, *Yearbook* (issues of various years) (New York: Oxford University Press) and Pakistan's major arms imports, as cited in Jasjit Singh, "Trends in Defence Expenditure," *Asian Strategic Review*, 1998-99 (New Delhi: Institute for Defence Studies and Analyses, 1999), SIPRI 2002, 2004, 2005, *United Nations Register of Conventional Arms* for various years and Defence Security Cooperation Agency at, <http://www.dsca.mil>; "Update on Pakistan C-130E Acquisitions," *Air Forces*, January 2006, p.22 (for seven C-130E transferred in October 2005).

increased defence and security capability will contribute to the US operations and interests in the region. The Bush Administration has approved a \$1.2 billion arms sale package that includes P-3C Orion aircraft.<sup>33</sup> Also, Pakistan's repeated pleas for the F-16s have yielded some results and after a series of commitments, Washington authorised the transfer of two F-16s to Islamabad in October 2005. More might have been transferred but for the October earthquake in Kashmir which led to public anger in Pakistan over the large arms purchases when relief and rehabilitation of the victims was suffering. These will, no doubt, follow after modifications. Pakistan has been extremely keen to acquire the F-16s partly because of political/psychological reasons and partly because it has been familiar

33. Touqir Hussain, "US- Pakistan Engagement: The War on Terrorism and Beyond," Special Report 145, United States Institute of Peace, at <http://www.usip.org/pubs/specialreports/sr145html>

with multi-role combat aircraft since the early 1980s. The issue apparently has been the cost and the level of upgradation the aircraft for Pakistan would receive. Many of these issues have been sorted out over the past couple of years and, hence, Pakistan's demand for F-16s has increased from the earlier 18 aircraft to a figure somewhere between 75-80 aircraft. In other words, Pakistan would aim to achieve its original plan of 110 F-16s in its inventory, but now much more capable ones.

The cost factor is now more manageable not only because of the sanction of \$1.2 billion for arms imports but also because of Pakistan getting access to older (though upgraded) high technology weapons systems under the category of "Excess Defence Articles" at a low price. For example, the F-16s recently supplied to Pakistan with an original unit acquisition value of \$ 16.2 million have been transferred at a current unit value of \$ 6.48 million. Similarly, in the case of P-3C aircraft, Pakistan has paid \$ 1.08 million per aircraft (being one-tenth of the unit acquisition value \$ 10.8 million).<sup>34</sup>

Pakistan has made aggressive efforts to diversify the sources of weapons supply in the last three years. A deal for the purchase of 40 Mirage interceptor/ground attack aircraft from Turkey was finalised in 2004. The aircraft will be used as spares for the PAF's existing fleet of Mirages. A joint venture for the production of unmanned aerial vehicle (UAVs) is in the pipeline as indicated during the visit of Turkish Defence Minister M. Vecdi

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34. US Defence Security Cooperation Agency at <http://www.dsca.mil/programs/eda/results.asp>

**China's military support for Pakistan remains the same with enhanced military cooperation between the two nations. Pakistan not only continues to receive Chinese weapons at low cost but also China has been consistent in supplying and facilitating missile assemblies and nuclear technology for Pakistan.**

Gonul to Pakistan in April 2004.<sup>35</sup> Meanwhile, China's military support for Pakistan remains the same with enhanced military cooperation between the two nations. Pakistan not only continues to receive Chinese weapons at low cost but also China has been consistent in supplying and facilitating missile assemblies and nuclear technology for Pakistan. China has provided active financial and technical assistance to develop Gwadar naval port in Pakistan's Baluchistan province, primarily as a commercial port but which would also serve naval ships as well. In November 2005, the first phase of the new deep-sea port at Gwadar with three functional berths and related port infrastructure was completed. A 70,000-tonne Chinese vessel was the first to be berthed at Gwadar.<sup>36</sup> Several high level visits between officials of China and Pakistan have resulted in joint defence projects, adding to the import and production of the PAF and the navy. Four F-22 P frigates would be built in Pakistan. China has also confirmed the sale of six ship-based medium-sized Z-9C helicopters to the Pakistan Navy.<sup>37</sup>

Looking at the overall trends (see Table 3), it can be stated with a degree of confidence that since the Kargil War:

**Pakistan's arms acquisitions have almost exclusively centred on modernisation of the PAF and building of maritime strike capabilities of the navy.**

- Pakistan's arms acquisitions have almost exclusively centred on modernisation of the PAF and building of maritime strike capabilities of the navy. The only land system that Pakistan acquired was heavy artillery, obviously due to the same calculations as that for air power, that is, to dominate in key areas of firepower.

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35. *The Military Balance 2004-2005*, IISS (London: Oxford University Press, 2004), p. 311.

36. *The Military Balance 2005-2006*, IISS (London: Taylor and Francis, 2005), p.230.

37. *Ibid.*, p. 231.

- The US has become Pakistan's major arms supplier since 9/11 and the emergence of Pakistan once again as its "frontline state." But few of the systems being acquired have any relevance to the US' global war on terrorism.
- The defence burden on the nation has been kept low by special pricing mechanisms instituted by the United States and the basically lower price structures of Chinese weapon systems. However, it needs to be restated that Pakistan's major weapon system acquisitions are not reflected in the defence budget.

