
Turkey a battleground for Asia arms exports

By Peter Lee

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Expanding economies, growing tensions, incremental shifts away from the West and toward multipolar geopolitics, and the re-emergence of Japan as a full-fledged military power are contributing to a 21st century shift toward Asia as a major arms supplier, as illustrated by Turkey's recent interest in Japanese tank technology.

Unexpectedly, the peaceful island nation of Japan has a best-of-breed battle tank.

Apparently, the Type 10 project was announced in 2008, with the stated mission of protecting the Japanese homeland against North Korean invasion because, of course, Japan still operates under its pacifist constitution and any military-related activity is supposed to be strictly for the purposes of domestic defense.

The Type 10 Battle Tank is in the news, at least in China's state-affiliated Global Times, because Japan is in negotiations to supply its tank engine technology to Turkey for Istanbul's next generation "Altay" battle tank under the rubric of "joint development". [1]

Based on the current understanding of the pacifist constitution, joint development of weapons systems by Japan with non-US partners is allowed, as long as a bilateral agreement assures that the resulting equipment is not diverted from its initial purpose (I'm guessing defensive use, which would include, in the case of Turkey, the humane application of battle armor to the festering Kurdish insurgency in the southeast) and is not improperly re-exported to a third country.

Given Turkish concerns, expect the re-export limitations to be generously interpreted by Japan. According to a November article in Turkey's Today's Zaman, [2] Turkey was motivated to turn away from Germany's MTU as a tank engine partner (engines for Turkey's previous generation battle tank, the Israeli T-60, are assembled by MTU's Turkish subsidiary under a license) since the Germans had been recalcitrant in the past in transferring the technology that would enable Turkey to make the engines itself, and had also refused to allow Turkey to re-export German engines in armored vehicles for sale to Azerbaijan.

The issue of export rights is apparently non-trivial.

Noting that the costs of production for Altay would be too high for Turkey if Turkey cannot export the tank, Erdogan Karakus, a retired three-star general, told Today's Zaman that the "contribution of the Altay project to the local defense industry would also remain rather limited in such a case." [3]

Not to worry. The Japanese cabinet's statement amending the defense exports policy to permit international joint development with non-US partners, issued in the pre-Abe days in December 2011, has loopholes big enough to, well, drive a tank through:

"International joint development and production of defense equipment etc. contributing to Japan's security will be conducted with countries in cooperating relationship with Japan in security area and production with

such countries contributes to the security of Japan. The overseas transfer of defense equipment etc. will be allowed on the premise that strict control is in place ... ie the countries participating in the program are obliged to gain prior consent of the Government of Japan when pursuing "extra-purpose use" or transfer to third parties of the equipment and etc." [4]

And it seems that consent will not, as we say, be unreasonably withheld and can be expected:

" ... where such transfers [to third parties] contribute to the security of Japan ... or to the international peace and security ... "

" ... or where Japan's contribution to the international development and production remains relatively small ... " [5]

If Turkey proposes that international peace and security requires the sale of battle tanks to Azerbaijan, Japan may not be in the mood to gainsay its ally and business partner.

Presumably the Japanese government spent half-a-billion dollars (admittedly a small sum in the defense game) on the Type 10 project so that it could offer a more complete portfolio of weaponry to foreign customers if and when unrestricted arms exports are permitted, for economic as well as strategic/diplomatic reasons.

Regional rival South Korea got a head start on arms sales in Turkey in 2001 with a US\$1 billion contract to supply the T-155 self-propelled howitzer (using the German MTU diesel engine, and used in domestic operations against Kurdish militants as well as in operations along the Syrian border), something that undoubtedly attracted the envy of Japan's government and defense contractors.

I also take the tank engine discussions as another data point in Turkey's campaign to diversify its defense procurement and thereby keep an arm's length relationship with the North Atlantic Treaty Organization (NATO), symbolized by the contentious and not yet finalized decision to pay \$3.4 billion to China (at a fire sale price reportedly \$1 billion less than Raytheon's offer) for a surface-to-air missile defense system. [6]

Also, the Turkish government has a policy of insisting on technology transfer when considering military sales; this was a stated factor in its decision - still vigorously contested by the US and NATO [7] - to source the missile defense system from China. MTU's unwillingness to consider technology transfer so that Turkey could manufacture the second and subsequent batches of tank engines in the Altay program itself presumably also played a part in Turkey's pursuit of negotiations with Japan and Mitsubishi Heavy Industries.

Meanwhile, the US/NATO campaign to discourage Turkey's procurement of China's missile defense system gets an assist from the United States Congress. The upcoming US Defense Appropriation bill will almost certainly contain language banning the use of any US funds to assist in achieving interoperability of the Chinese system in Turkey with NATO air defense. [8]

Just exactly what that assistance is interpreted to be - and how much the US is prepared to disrupt coordination with Turkey in NATO over the missile system - remains to be seen.

A Global Times' commentator drew the conclusion that the US might be greenlighting the Japanese move on tanks for Turkey in particular and away from restrictions on arms trading in general as an acceptable non-NATO counter to China's growing presence in the international arms market.

Get used to it. In many cases, defense spending by Asian nations tracks their burgeoning GDPs. Their arms industries make contributions to exports, prestige, and international leverage perhaps greater than the genuine boost they provide to national security. So global arms merchants will have to learn to live with competition from aggressively priced and technologically sophisticated Asian systems.

Germany's apparent setback is also a reminder to supporters of Japan's move to full military power status that the re-emergence of Japan is not just a win-win for everybody that isn't China. Japan is pursuing its own economic and security interests, and they will occasionally collide with those of its allies.

If, as expected, the Japanese cabinet takes the next step and lifts the ban on arms exports (straight sales, without the frou-frou of a joint development agreement), transactions will probably be conducted on the same liberal principles described in the joint development statement.

Reuters got a look at the experts' recommendation and it does seem to sing from a similar songbook.

Japan "will contribute more actively than before to securing the world's peace, stability and prosperity, from the standpoint of active pacifism based on the principle of international cooperation," the draft said. [9]

The Asian century in arms production and global export is getting into full swing. The good news is, the world can look forward to an end to the scourge of "war". Instead, in accord with the new spirit, it can expect decades of "active pacifism" instead.

Notes:

1. Sales of tank engines demonstrate Tokyo eager to drop pacifist stance, Global Times, December 10, 2013
[<http://www.globaltimes.cn/content/831310.shtml#.UqjMA-KNPPM>].
2. Japan, Turkey considering co-producing engine for Altay tank, Today's Zaman, November 18, 2013
[<http://www.todayszaman.com/news-331751-japan-turkey-considering-co-producing-engine-for-altay-tank.html>].
3. As for note 2.
4. Statement by the Chief Cabinet Secretary on Guidelines for Overseas Transfer of Defense Equipment etc, December 27, 2011
[http://www.kantei.go.jp/foreign/others/201112/_icsFiles/afieldfile/2012/01/31/20111227DANWA_e.pdf].
5. As for note 4.
6. Turkey goes for Chinese take-away defense, Asia Times Online, September 27, 2013
[<http://www.atimes.com/atimes/China/CHIN-01-270913.html>].
7. Made in China? US warns Turkey its missile deal with Beijing may be incompatible with NATO, Russia Today, October 24, 2013
[<http://rt.com/news/us-turkey-china-missile-defense-689/>].
8. Congress moves to spike China's missile deal with Turkey, ForeignPolicy.com, December 9, 2013
[http://complex.foreignpolicy.com/posts/2013/12/09/congress_moves_to_spike_chinas_missile_deal_with_turkey#sthash.ve3GbVDo.dpbs].
9. Japan eyes review of arms export ban, October 21, 2013
[<http://www.reuters.com/article/2013/10/21/us-japan-defence-idUSBRE99K0KV20131021>].

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<http://www.atimes.com/atimes/Japan/JAP-01-131213.html>
