

RUSSIA EXPANDS ARMS EXPORTS TO ASIA-PACIFIC REGION AS IT STARTS COOPERATION WITH VIETNAM

BY KIRILL LEBEDEV, IFS SENIOR ANALYST, DECEMBER 23, 2009

Russia continues to enhance military cooperation and diversify exports of arms and combat vehicles.

The country is negotiating the delivery of six diesel 636 Varshavyanka submarines to Vietnam. If Russia is awarded this deal, the exporters will eventually receive much more than 1.8 billion dollars under the contract.

Vietnam does not have a navy, and the delivery of Russian submarines will give Russia's defense sector a possibility to build infrastructure in Vietnam. Also, Russia will supply spare parts and provide after-sale service.

China had awarded Russia with a bigger deal on Russian submarines, yet, Russian-Chinese military cooperation has declined over the past years. Cooperation with Middle Eastern countries (see the November 24, 2009 review) and Vietnam is expected to enhance exports of arms and military vehicles and prevent the decline in Rosoboronexport's export portfolio. If Russian manufacturers provide proper fulfillment of this important contract, other countries of the region (Indonesia and Malaysia) might get interested in Russian weapons. Vietnam will be also stimulated to continue cooperation with Russia and buy arms for other army unit types. The country intends to buy another 12 Su-30MK2 heavy fighters that received high appraisal in China, India, Indonesia, Malaysia and Venezuela. Vietnam has already bought eight Su-30MK2 units, following the delivery of sixteen Su-27/Su-30 fighters.

Russia could also sell Mi-17 helicopters to Vietnam. Various modifications of this aircraft have been already supplied to Venezuela, India, China and Indonesia. Vietnamese Air Forces have never used helicopters of this type, and if Vietnam buys some units from Russia, it will likely buy spare parts, too. It is highly probable that Vietnam might become one of the main importers of Russian weapons in the Asia-Pacific region.

All this indicates that Russia is expanding its footprint in the region as an arms exporter. Fears that a decline in Russian-Chinese cooperation might trigger off a crisis in Russia's defense sector thus seem ungrounded.