China Adopts a New Defense Budget

Against the backdrop of the seriousness of Ukraine’s Western-backed preparations for a dramatic escalation and aggression against Donbass and Luhansk, including with US-funded biological weapons, China has rolled out its defense budget for 2022. It happened on the opening day of the fifth annual session of the 13th National People’s Congress (NPC). Usually these annual announcements of Chinese military expenditures hit the headlines, but in 2022 Beijing’s 7.1% rise in defense expenditures is overshadowed by a war unleashed by the West in Europe.

In monetary terms, China’s defense expenditures for 2022 is 1.45045 trillion yuan ($229.39 billion). Indeed, the budget released on March 5 confirms the continuing rise in expenditure. Last year, China increased expenditures by 6.8% to 1.355 trillion yuan ($209.4 billion). The total increase of around $20 billion this year is actually the biggest ever (the second highest was $13.4 billion in 2021 and the biggest was $13.6 billion in 2014).

Two years ago, China approved an increase in defense expenditures of only 6.6%, a drop due to the start of COVID-19. In previous years, the budget has increased by 7.5% (2019) and 8.1% (2018) each year. Also, this is the seventh consecutive year that the defense budget has only grown in single-digit percentages, highlighting that the serene days of double-digit growth are long gone. Threat perceptions may change over time, but China continues to prioritize spending on the People’s Liberation Army (PLA) regardless of pretexts for the increase.

Anonymous analysts quoted by China’s Global Times said the budget was “steady and reasonable at a time when China needs to modernize its military capabilities to safeguard national sovereignty and territorial integrity amid severe external threats and an unstable security environment.” Chinese commentators also cited “provocative” US actions, such as warships sailing through the Taiwan Strait or the South China Sea. The border confrontation with
India has also not been resolved, even after almost two years, and this requires additional money to maintain stability in the region.

Chinese analysts argue that despite military threats from the US and other countries, “China is not interested in joining an arms race, and the country’s defense policy is defensive in nature.” In the future, the Chinese Communist Party (CCP) will expect the PLA to have more military capabilities so that it can effectively confront its neighbors, such as India, as well as South China Sea claimants and the US. Chinese leaders say they are prepared to use force to defend their territory, so the PLA must be a credible tool of deterrence.

There is a striking difference between the PLA and the quality of the bewildered Ukrainian conscripts, who now only scatter at the sight of Russian troops or willingly surrender, asking to be fed. The PLA is taught that their composition must serve Xi Jinping, the CCP and the nation. With such strong ideological indoctrination among Chinese soldiers, there would be no hesitation if they were ordered to attack any enemy.

China has the second largest defense budget in the world after the US, although Beijing still spends less than a third of what Washington does. President Joe Biden has requested a budget of around $770 billion for the coming financial year. In fact, the US spends more than the other ten largest countries combined trying to demonstrate its willingness to remain a superpower, ready to solve any domestic, and especially foreign, policy issues with brute force. Of course, it is difficult to compare China and the US directly. The PLA benefits from a non-market economy where equipment is cheaper and the military has greater purchasing power than in competitive markets such as the US. Moreover, the Pentagon also deploys troops and assets around the world, while China largely stays at home.

Beijing has not given any details on how the money will be distributed. According to some estimates, about 40% will go for equipment, both new and to maintain existing stocks. Total secrecy makes it impossible to determine exactly what China’s actual defense budget is. Many areas, such as the space program, extrabudgetary revenues from military commercial enterprises, defense mobilization funds and maintenance costs of provincial military bases, are not reflected in its defense budget. Additional funding such as military pensions and allowances, civilian/double-use research and development, and Central Military Commission responsibilities such as the People’s Armed Police and the Chinese Coast Guard are also not part of the defense budget. Both latter paramilitary organizations will support the PLA during the war.

Foreign analysts agree that the true budget is much higher than the stated amount, although there is some debate as to how much. According to some estimates, the real budget is 25% higher than declared, while others say it could be almost 40%. Undoubtedly, the difference between Chinese and US expenditures is much smaller than it appears on paper.

Beijing said in its government performance report that in 2021, China made major strides in strengthening national defense and the armed forces, getting off to a good start in this endeavor in the 14th Five-Year Plan period, and in 2022, China will work toward the goals for the centenary of the People’s Liberation Army in 2027. The report adds that the PLA will upgrade military logistics systems and establish a modern weapons and equipment management system more quickly. In addition, emphasis will be placed on continuing the reform of national defense and the armed forces; enhancing innovation in defense science and technology; and implementing a strategy to strengthen the armed forces by training competent personnel for the new era. Not forgotten are the precepts for managing the armed forces in accordance with law and strict discipline; promoting the qualitative development of the armed forces; and improving the structure of defense science, technology and industry.

A prime example to be seen this year will be the launch of the PLA Navy’s next generation aircraft carrier, Type 003, which is currently under construction. It differs from the two aircraft carriers in that it dispenses with a ramp and instead uses catapults to launch aircraft. Other priorities for 2022 are increasing production of J-20 stealth fighters and modernizing the nuclear arsenal of the PLA’s missile force.

China is closely monitoring the Russian special operation in Ukraine. Just as it scrutinized the lessons of the two wars unleashed by the US against Iraq in 1990-91 and 2003, it will be analyzing the results of this fierce special operation between Russia and the collective West led by an aggressive US for years to come.

The current fashionable priorities in the CCP are mechanization, informatization and intellectualization, the three components of the PLA’s modernization as it seeks to dominate the digital, cyber and networked world of military operations. These are some of the areas where Russia has expertise, especially in terms of a possible joint war. The latter is a priority for the PLA, even if it still has a long way to go to coordinate land, sea and air forces into a unified and integrated force.
In recent decades, given the experience of the Russian army, the PLA has prioritized airborne command and control through such means as KJ-500 aircraft, plus the introduction of electronic warfare aircraft such as the J-16D and various types of Y-8 / Y-9. The PLA Air Force has already more than 700 modern fighter jets in service. China has a large number of air-launched cruise missiles and ballistic missiles, but, importantly, its stockpile of precision-guided munitions is limited. For example, it has only one type of 500kg laser-guided bomb in service. The 500kg bomb is overkill for many missions, and China has yet to move to a range of 250kg and 100kg precision-guided munitions, so it will have to rely on blunt bombs and unguided missiles.

The PLA has numerous strike aircraft to carry these high-precision weapons, including nearly 100 J-20 fighters, 200 J-16 fighters, 250 J-10B/C fighters and 300 J-10A fighters; 200 JH-7A fighter-bombers; and 120 H-6J/ K/N bombers, many of which are equipped with targeting pods. Add to this unmanned aerial vehicles such as the WZ-7 and the Wing Loong 1/2 family, and one can see that China can deliver the necessary flow of weapons early on in a future conflict.

The successful overcoming of international sanctions by Russia and the fact that the US, by exerting brutal pressure on NATO and Europe as a whole, forced them to follow, against their will, the fairway of Washington’s policies in support of the fascist rulers of Ukraine is an invaluable experience for China. The whole world is well aware that the massive supply of the most modern weapons to Kiev by the West is only adding petrol to the burning fire of the agony of the current Ukrainian regime and contributing to a flood of new victims.

*Viktor Mikhin, corresponding member of RANS, exclusively for the online magazine “New Eastern Outlook”.*