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# **GLOBAL DEFENCE INDUSTRY AND THE ASIA- PACIFIC REGION**

**A thesis presented in partial fulfilment of the requirements for the  
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## **ABSTRACT**

Defence industries have become an essential component of nations' security. This dynamic sector has experienced constant transformations since the Second World War. In recent years large national and transnational defence firms have emerged through processes of mergers and acquisitions; dual-use technologies are becoming crucial in the development of modern weapons systems; and the phenomenon of globalisation is increasing the production interdependence among nations.

These new trends, however, have not altered the hierarchical structure of the global defence industry, where a reduced group of nations have a dominant role in the production, innovation and transfer of weapons systems. The decline of their domestic markets has spurred exportation strategies resulting in an increasingly competitive global arms market. The latter may facilitate some nations to develop their defence industrial bases through the transfer of technology associated with weapons systems imports; however may also exacerbate the security dilemma and the proliferation of weapons, producing a detrimental impact on regional stability. Both problems may be ameliorated through cooperative security initiatives such as arms control, and confidence and security building measures.

The study of defence industries has generally been approached from an economic perspective, relating to nations' military spending and arms trade. The less commonly used security approach addresses the security threats that stimulate

the development of arms industries and the potential effects that these may have on the security dilemma.

The present study examines the global defence industry and the relations between the major arms producers and importers, the implications of the global defence industry on the security dilemma; and the prospects of arms control policies in the prevention of arms proliferation. The Asia-Pacific region is used to centre the analysis through four case studies: Singapore, Indonesia, South Korea and China, as the defence industries and military capabilities of these nations are currently experiencing substantial development, supported by the rapid growth of their economies. A comparative analysis demonstrates a lack of commitment to collective security strategies within the Asia-Pacific region which is resulting in the proliferation of arms and potentiating the effects of the security dilemma, with major implications for regional and global security.

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## ABBREVIATIONS AND ACRONYMS

AEW	Early-warning radar Aircraft
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
AWACS	Airborne warning and control systems
BW	Biological weapons
BWC	Biological Weapons Convention
CADMID	Cycle of defence acquisition and management: Concept, Assessment, Demonstration, Manufacture, In-Service and Disposal
CWC	Chemical Weapons Convention
CCWC	Convention on Certain Conventional Weapons
CCM	Convention on Cluster Munitions
C2	Command and Control
C3	Command, Control and Communications
C4ISR	Command and Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance
CTBT	Comprehensive Nuclear-Test Ban
DIB	Defence industrial base
GDP	Gross Domestic Product
IMF	International Monetary Fund
DPRK	Korean People's Democratic Republic
M&As	Mergers and acquisitions
MNCs	Multinational corporations
NATO	North Atlantic Treaty Organisation
NPT	Non-Proliferation of Nuclear Weapons Treaty
PMO	Programme manager's office
ROK	Republic of Korea
R&D	Research and development
SALW	Small arms and light weapons
DAPA	South Korean Defence Acquisition and Programme Administration
DIDC	South Korean Defence Industry Development Council
SEATO	Southeast Asia Treaty Organisation

SALT	Strategic Arms Limitation Talks
SIPRI	Stockholm International Peace Research Institute
U.S.S.R.	Union of Soviet Socialist Republics
SAM	Surface-to-air missile
CFE	Treaty on Conventional Arms Forces in Europe
U.N.	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNRCA	United Nations Register of Conventional Arms
U.S.A. (U.S.)	United States of America
UAVs	Unmanned aerial vehicles
DoD	U.S. Department of Defence
DoC	U.S. Department of Commerce
WMD	Weapons of Mass Destruction