

## Iran's Missile and Conventional Military Cooperation with China under Hashemi (1989-1997)

Ehsan Razani

School of History, Politics and Strategic Studies, National University of Malaysia, & Institute for Middle East Strategic Studies, Tehran, & Islamic Azad University, Shahrood, IRAN.

[Ehsan\\_Razani@yahoo.com](mailto:Ehsan_Razani@yahoo.com)

### ABSTRACT

*The present paper aims to provide a brief overview of the development of the Sino-Iranian military cooperation during the Hashemi administration in the years between 1989 and 1997. It tries to shed light on China's position in Iran's post-war military modernization while taking a look at the role of the United States as the most important external factor affecting Iranian foreign policy and relations with the outside world. The paper deals with this question that how and under what conditions Tehran has sought Chinese assistance to build up its military might in the Post-Cold War era. By adopting a process-tracing methodology, the study will attempt to show that Iran and China have attempted to maintain cooperation in military and defense fields all through the first decade following the dissolution of the Soviet Union. The research will also argue that although U.S. isolationist strategy against Iran negatively influenced the Sino-Iranian relationship, it failed to freeze military cooperation between the two countries. As a result, during the critical years of Hashemi's presidency, while trying to go ahead with its reconstruction plan, Tehran successfully used Beijing's help to establish its own indigenous defense industry; a policy that was pursued by successive Iranian administrations in the post-Cold War period.*

**Keywords:** Iran, china, military, defense, Hashemi, relations

### INTRODUCTION

Iran and China are two of the most important actors in South and East Asia. Iran is a major regional power possessing the world's second-largest oil and gas reserves, whereas China is a major emerging military and economic power with one-fifth of the world's population. Meanwhile, military cooperation between the two states has always been among the most controversial aspects of the contemporary International Relations studies making the two states heavily featured in the news in recent years. Particularly after the Soviet dissolution that ushered in a new era in international politics, many academics, research centers, and policy circles all around the world began to draw increasingly more attention to the nature and scope of relations between Iran and China; the countries that have constantly played vital roles in two of the most significant regions of the world 'the energy-rich Persian Gulf and the economic dynamo of East Asia' (Garver, 2006).

In the early-1990s, while Tehran became engaged in its post-war reconstruction projects, leaders in Beijing, influenced by the country's growing demands for energy resources, embarked on strengthening China's ties with the resource-rich countries of the Middle East, one of the most important of them was Iran. Soon, China's relations with Iran began to grow rapidly in various domains. Meanwhile, as Calabrese (2006) has argued, the arms sales dimension of the Sino-Iranian relationship placed it 'squarely at the center of regional and global geopolitics'.

Not surprisingly, China's cooperation in Iran's missile and advanced conventional weapons programs received special attention from Western observers. In 1993, Samuel Huntington in his controversial thesis on 'Clash of Civilizations' not only introduced the new stage in the evolution of conflict in the post-Cold War world, but also provided a remarkable account of the Sino-Middle East relations. To him the clash of civilizations, as the most important issue in the modern age, would play a determining role in shaping the relationship between the West and Islam. A likely 'Confucian-Islamic connection' would challenge Western interests, principles, and power and, consequently, would form the central focus of conflict for the near future between the West and a number of Islamic-Confucian nations. On this basis, Huntington (1993: 49) referring to the Sino-Iranian technological-military cooperation, warned the United States 'to maintain the economic and military power necessary to protect its interests in relation to these civilizations'. Bin Huwaidin (2002) has argued that the Islamic Republic's rigid criticism of American hegemonism in the Persian Gulf has acted as a key motivator for China to seek warmer ties with this country. To him China's interest in Iran has resulted from 'its need for oil and its efforts to cooperate and stabilize relations with Iran's neighboring countries and prevent them from being dominated by a hostile power' (2002: 173). Garver (2011) believes that there have been some evidences indicating that Chinese leaders have found 'Iranian nuclearization' fit to the China's geostrategic interests. In his view the standing U.S offer to the PRC during the tenures of George H. W. Bush, Bill Clinton, George W. Bush, and Barack Obama has been that the two states should become partners in dealing with common interests and global issues, however, a genuine Sino-U.S partnership will not be shaped if Chinese leadership continues to pursue its current approach in the Persian Gulf region and particularly towards Iran (2011: 86-87).

Swaine (2010) argues that Beijing enjoys 'a degree of leverage' in its interactions with both Iran and the West. However, regarding China's interests and policies toward Iran it would be improbable that Beijing completely go along with U.S policies toward Iran especially if such policies could lead to 'hostile or threatening actions' (2010: 11). Kemenade (2010) maintains that with mounting tension between Iran and the West, China has remained reluctant to comply with Western states' sanction policies against Iran. This is so because the Chinese leaders have been always suspicious about U.S. ambitions, oil sanctions against the Islamic Republic would be seen by them as 'a disguised form of sanctions' against the PRC. Yin Gang seems to be more confident in this regard when predicts that China would never follow the West and has its own consistent stance to address the Iran nuclear issue (2010: 112). Likewise, Dorraj and Currier (2008) argue that Iran's strategic cooperation with both China and Russia will challenge American efforts to isolate the Islamic Republic.<sup>1</sup>

Generally speaking, Western observers have tended to interpret the Sino-Iranian strategic partnership as a major threat to U.S security interest in the Persian Gulf region. But what has been the nature and scope of military ties between Tehran and Beijing? What has been the role of China in Iran's military modernization? To what extent the United States has influenced military cooperation between these two important geopolitical actors over the past two decades? And how the military cooperation between the two states has evolved during different presidencies? The present paper has taken a process tracing methodology to briefly answer the above-mentioned questions. It endeavors to explain that Tehran and Beijing have constantly tried to continue cooperation in military and defense fields all through the years following the Soviet demise. The research will also argue that although U.S pressure on Iran negatively influenced the Sino-Iranian relationship, it failed to fully freeze military cooperation between the two countries during the years of the Hashemi administration. The paper will conclude with the study's findings and results.

## **HASHEMI'S TENURE: DEVELOPING MILITARY PARTNERSHIP WITH CHINA**

Under Hashemi, the Iranian government moved towards strengthening ties with the PRC. This is the time that China's economy began to grow more strongly, making Beijing increasingly in need for foreign sources of energy and investment markets. At the time Iran sought to find a reliable consumer for its energy and a supplier of armaments and defense systems. This constituted the cornerstone of the mutually beneficial relations between the two countries in the coming years (Dorraj and Currier, 2008: 70).

In the military sphere, while most of Iran's traditional arms suppliers, i.e. Italy, Britain, France, and the Netherland suspended their cooperation with the Islamic Republic, Beijing remained as a principal supplier of conventional arms for Tehran. Regardless of a temporary drop-off in Sino-Iranian arms trade immediately after the war's end, military and defense-related matters continued to be a significant aspect of relations between the two countries in 1990s. Despite its decreasing trend in government budget allocation since 1992, during Hashemi's tenure, the defense sector continued to attract foreign investment as well as resources for weaponry purchases from overseas (Ehteshami, 1995).

Within this context, Iran under Hashemi, in line with its reconstruction plans, signed a series of million-dollar contracts with China. Reportedly, during the first-half of the 1990s, the PRC provided Iran with thousands of tanks, artillery pieces, rocket launchers, fast-attack patrol vessels, radar equipments, armored personnel vehicles, fighter-bomber jets, and small battleships. Moreover, China assisted Iran to improve its coastal and air defense system. Based on several Western reports, China provided Iran with a substantial amount of anti-ship Cruise missiles, such as HY-2, C-801, and C-802, as well as a large numbers of short-range and medium-range Ballistic and Scud missiles. It also effectively assisted Iran to develop and upgrade its indigenous missile production capability through providing necessary technology, know-how, and testing facilities (Dillon, 2004). According to SIPRI Arms Transfers Database, in the years between 1989 and 1997, by providing Iran with more than \$1.3 billion in conventional arms, China stood second among Iran's major suppliers of military materials.<sup>2</sup> The first on the list was the former Soviet Union, and the present-day Russian Federation, whose share in Iranian arms market was estimated to be twice -approximately \$2.7 billion (SIPRI, 2010).<sup>3</sup> Given the above, Bates Gill (1998) has argued that excluding Pakistan and North Korea, China's arms trade with the Islamic Republic during the 1990s was 'more quantitatively and qualitatively comprehensive and sustained than that with any other country' (1998: 57).

It is important to note that despite the fact that the Soviet was the major military ally of Saddam's Iraq throughout the war, during Hashemi's presidency, Tehran valued its strategic relations with Moscow much more than with Beijing. The Iranian government made substantial efforts at that time to rebuild the country's military strength with the help of Russians. According to in 1990s Tehran considered Moscow as an 'important link in its effort to counter U.S attempts to isolate it', tried to 'walk on a thin line' in balancing its interests between the new Central Asian republics and Russian Federation, and given its increasing need for arms, acted cautiously not to alienate Moscow (Freedman, 1997: 93-106).

Since the early-1990s, China's assistance to Iran's military modernization along with its support of Iran's civil nuclear program turned into one of the most challenging issues in the Sino-American relations. Although, one can consider Iran's boosting armaments cooperation with China as part of this country's post-war military reconstruction program, it triggered a strong reaction in the West. In 1994-95 the U.S Central Intelligence Agency reported that Beijing had supplied Tehran with perhaps hundreds of missile-guidance systems and computerized tools for missile production (Garver, 2006: 187-188). In the mid-1990s, with

spreading rumors about the transfer of Chinese missile components and production technology to Iran, Washington, voiced its concerns about possible use of Chinese missiles by Iran as delivery vehicles for weapons of mass destruction. According to an unclassified report released by the U.S Central Intelligence Agency in June 1997, through a number of years, the Islamic Republic attempted to develop an indigenous production technology with the help of its primary sources for missile-related equipments, i.e. China and Russia. The report also added that “besides some large projects with China, Iranian nuclear-related purchases were not focused on any particular countries and were only indirectly related to nuclear weapons production” (CIA, 1997).

From an American perspective, Iran’s increasing military build-up, and particularly its missile development program, could pose a substantial direct threat to American vital interests in the Persian Gulf, inflame regional conflicts, and harm the security interests of U.S regional allies such as Saudi Arabia, Turkey, and most importantly Israel. With no surprise, the Israeli regime was extremely worried about Iran’s nuclear cooperation with China and Russia and played a pivotal role in provoking the United States to take tougher measures against Iranian missile-nuclear development program during the 1990s. In an interview in June 1994, Israeli Prime Minister, Yitzhak Rabin said that Tel Aviv is seeking Washington’s help to stop Tehran and Baghdad from developing long-range ballistic missiles and weapons of mass destruction. Later on, he added fuel to the fire by blaming Beijing and Moscow for their technological support to ‘convert Iranian nuclear reactors for military use’ while describing Chinese and Russian experts as those “who can smell hundreds of millions of dollars” (NTI, 1995).

The growing Sino-Iranian military ties seemed to have other negative consequences for America’s national security. It was argued by some analysts that China’s assistance to Iranian missile and nuclear development as well as its generous military cooperation with other countries in the Middle East could not be seen as a merely business-driven practice. It was rather an attempt made by Beijing aiming to deflect Washington’s attention from the East Asia to the Middle East. As a result of such a strategy, the United States “could easily become embroiled to the extent of weakening its ability to intervene in other parts of the world, notably in what China perceives as its own sphere of interest in East Asia” (Burman, 2009). Furthermore, with respect to Tehran’s close military relationship with Moscow at the time, by acting as an intermediary between the PRC and Russia, Iran could facilitate further access to advanced Russian missile and aircraft technology for China. Reportedly Iran provided the PRC with Russian weapons and aircraft technology which were acquired during the war with Iraq, and particularly following the 1991 Persian Gulf Crisis when, reportedly, the Iraqi regime -following a secret agreement with the Iranian government- settled a number of its Soviet-made fighter-bomber planes, i.e. Su-22, the Su-24, the Su-25 and the MiG-29, into the Iranian territories (Gill and Kim, 1995: 87).

As stated before, Beijing’s missile-nuclear collaboration with Tehran turned into a serious source of tension in the Sino-American relations in the 1990s. Since the beginning of the decade, China felt under considerable pressure from the U.S to stop exporting arms, and especially sensitive, high technology products to Iran (Lanteigne, 2007). Washington’s political pressure on Beijing was often prodded by Israeli intelligence. However, apparently, Beijing did not turn away from its strategic cooperation with Tehran until the mid-1990s, when the crisis in the Taiwan Strait escalated. The crisis, that ushered a new challenging period in the Sino-American relations, reached its peak in March 1996, when the United States secretly strengthened the sensitive military ties with the Republic of China to the extent unprecedented since the end of the 1970s and deployed two carrier battle groups in the Strait of Taiwan (Campbell and Mitchell, 2001). U.S strong engagement in the Third Taiwan

Strait Crisis -that later was described as ‘the biggest display of U.S military power in Asia since the Vietnam War’- had clear messages for Beijing at that time (BBC, 2009). In fact, being highly alarmed by the rising tensions with Washington, Chinese leaders realized that the continuation of strategic cooperation with the Islamic Republic could come at the cost of relations with America.

Under these circumstances, Beijing strived to balance its relations with Tehran and Washington. Along the line, while emphasizing its right to continue nuclear business with Iran in peaceful uses, China, to appease the United States and Israel, as its key strategic ally in the Middle East, officially agreed to drop most of its nuclear contracts with Iran, most of which were signed in the early-1990s. Since the mid-1990s, leaders in Beijing began to announce in various occasions that their approach towards relations with the Islamic Republic was fundamentally changed. For instance, during the trips made by Chinese deputy prime minister, Li Lanqing and President Jiang Zemin to Israel and the United States on February and October 1997, Chinese officials assured their Israeli and American counterparts that Beijing was no longer interested to continue nuclear cooperation with Iran. Some of the most important agreements that were cancelled in 1996-1998 are as follows: supply of subcritical graphite-moderated reactor, supply four 300-MW pressurized water reactors and nuclear center, Arak heavy water production plant, supply of uranium conversion facility, supply of zirconium tube facility, and anhydrous hydrogen fluoride sale (NTI, 2011: 277-356). Seemingly, through such a policy adjustment, China won the U.S trust, when the U.S State Department announced in July 1997 that there was not enough evidence for Washington to impose sanctions on Beijing over its nuclear cooperation with Tehran (DWS, 1997).

Needless to say China’s disengagement policy came at the cost of losing credibility in the eyes of leadership in Tehran and led to a period of coldness in bilateral relations in the late-1990s. Through the two last years of Hashemi’s administration, and even then, a substantial downturn in the Sino-Iranian cooperation was seen in both conventional and nuclear fields. According to data provided by the Stockholm International Peace Research Institute Database, although weaponry continued to be an important part of China’s exports to the Islamic Republic until the late-1990s, since the implementation of new American sanctions against the Islamic Republic in 1996 the percentage of China’s arms sales to Iran to its non-military exports to this country considerably declined from 133 in 1996 to 9 in 1997 and fell into 8 and 6 during the last two years of the 1990s (Garver, 2006: 179).

## **CONCLUDING REMARKS**

The study attempted to briefly shed light on the development of Sino-Iranian missile and conventional military cooperation after the end of the Cold War. As was discussed, during Hashemi’s presidency Tehran accelerated the pace of cooperation with Beijing in various fields. This was partly due to the country’s post-war reconstruction needs and partly because of Iran’s increasing tendency for improving relations with the outside world. Under Hashemi, even though Iran gave a higher priority in its strategic relationship with Russian Federation, it seized the opportunity to develop its military capabilities with the help of China. In effect, China’s growing need to foreign energy sources and Iran’s move to modernize its defense systems with the lack of partnership from the West acted as key factors that contributed to improved Sino-Iranian military cooperation. In most of the years of Hashemi’s presidency, Iran successfully sought Chinese assistance in building its indigenous defense capabilities, more importantly in missile technology. During this period, Tehran and Beijing experienced an increasingly fruitful military cooperation and the significantly raised trade between the two countries helped the Islamic Republic to obtain its needed arms materials, technologies, and know-how at that time.



**Table 1. Arms exports from China to Iran, 1990-2005**

<i>Designation</i>	<i>Description</i>	<i>Year of Order</i>	<i>Year(s) of Deliveries</i>	<i>No. Delivered</i>	<i>Comment</i>
HQ-2/CSA-1	SAM System	1989	1989 - 1991	8	
F-7M	Fighter Aircraft	1991	1993 - 1993	25	
Airguard F-7M	Fighter Aircraft	1995	1996 - 1996	5	Designation uncertain
Airguard Light	Light Aircraft				
Y-12	Transport Ac	1993	1994 - 1995	9	For Revolutionary Guards
Y-7	Transport Aircraft	1994	1998 - 1998	2	
WZ-501/Type-86	Apc	1996	1997 - 2005	90	Iranian designation Boraq; incl IFV, anti-tank, mortar-carrier and command versions
CSS-8 TEL	Mobile SSM Launcher	1989	1990 - 1994	30	Iranian designation Tondar-69
WA-021/Type-88	Towed Gun	1990	1991 - 1991	15	
155mm					
Type-59-1	Towed Gun	1991	1992 - 1992	106	
130mm					
Type-63	Towed MRL	1985	1986 - 1990	250	
107mm					
HY-2/SY-1A/CSS-N-2	Anti-Ship Missile	1988	1988 - 1994	100	HY-2 version; possibly incl C-601 (CAS-1) air-launched version Incl C-801A version for modernized Saam (Alvand) frigates and Hudong (Thondor) and for modernized Combattante (Kaman) FAC and air-launched C-801K version; Iranian designation Karus; possibly assembled/produced in Iran
C-801/CSS-N-4	Anti-Ship Missile	1992	1995 - 1998	125	Incl for Hudong (Thondor), new-produced and modernized Combattante-2 (Kaman) FAC and coast defence systems; possibly incl air-launched version; Iranian designation Tondar or Noor; status since 2010 uncertain (due to UN arms embargo)
C-802/CSS-N-8	Anti-Ship Missile	1992	1994 - 2005	240	
QW-1	Portable SAM	1993	1996 - 2005	100	Iranian designation Misagh-1
Vanguard				0	
HQ-2/CSA-1	Sam	1989	1989 - 1991	200	
M-7/CSS-8	Ssm	1989	1990 - 1994	200	Iranian designation Tondar-69; probably incl assembly/production in Iran
JY-14	Air Search Radar	1996	1999 - 2001	3	
Hudong	Fac	1992	1994 - 1996	10	

Source: SIPRI Arms Transfers Database retrieved 10 November 2013. See: <http://portal.sipri.org/publications/pages/transfer/trade-register>

## NOTES

1. For more detailed information about the current literature on Sino-Iranian relations see: Iran's China policy: a neglected theme in the field of Iranian foreign policy studies, by Ehsan Razani and Nor Azizan Idris, Institute for Middle East Strategic Studies, available at: <http://en.merc.ir/default.aspx?tabid=98&ArticleId=429>
2. It is noteworthy to mention that after the end of the Iraq-Iran war and particularly following the Persian Gulf crisis and UN sanctions against Iraq, Chinese regional arms sales considerably declined by about 40 percent. However, the Middle East continued to be Beijing's main arms market in the 1990s. See: (Grimmett, 1988 and 2001)
3. North Korea was Iran's third major supplier of arms during Hashemi's presidency. Iran's military purchase from North Korea was estimated to be more than \$400 million within the same period. See: (SIPRI, 2010) For more information about the Sino-Iranian military cooperation in the first decade after the Cold War's demise, also see: (Gill, 1998)

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