

U.S. Sanctions China for Buying Russian Fighter Jets, Missiles

By <u>Reuters</u>

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Su-35 / Wikicommons

The Trump administration imposed sanctions on the Chinese military on Thursday for buying fighter jets and missile systems from Russia, in breach of a sweeping U.S. sanctions law punishing Moscow for meddling in the 2016 U.S. election.

The U.S. State Department said it would immediately impose sanctions on China's Equipment Development Department (EDD), the branch of the Chinese military responsible for weapons and equipment, and its director, Li Shangfu, for engaging in "significant transactions" with Rosoboronexport, Russia's main arms exporter.

The sanctions are related to China's purchase of 10 SU-35 combat aircraft in 2017 and S-400 surface-to-air missile system-related equipment in 2018, the State Department said.

They block the Chinese agency, and Li, from applying for export licenses and participating in

the U.S. financial system.

It also adds them to the Treasury Department's list of specially designated individuals with whom Americans are barred from doing business.

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The administration also blacklisted an additional 33 people and entities associated with the Russian military and intelligence, adding them to a list under the 2017 law, known as the Countering America's Adversaries Through Sanctions Act, or CAATSA.

CAATSA also seeks to punish Russia for its aggression in Ukraine and involvement in Syria's civil war.

Doing significant business with anyone on that list can trigger sanctions like those imposed on China.

Some of those added to the list, which now contains 72 names, were indicted in connection with Russian interference in the 2016 U.S. election, the official said.

Earlier on Thursday, President Donald Trump issued an executive order intended to facilitate implementation of the sanctions.

A federal special counsel is leading a criminal investigation of Russian interference in the U.S. election, and any possible cooperation with Trump's presidential campaign.

Trump has insisted there was no collusion with Russia. Moscow denies any effort to meddle in U.S. politics.

Aimed at Moscow - or Beijing?

One U.S. administration official, who briefed reporters on condition of anonymity, said the sanctions imposed on the Chinese agency were aimed at Moscow, not Beijing or its military, despite an escalating trade war between the United States and China.

"The ultimate target of these sanctions is Russia. CAATSA sanctions in this context are not intended to undermine the defense capabilities of any particular country," the official told reporters on a conference call.

"They are instead aimed at imposing costs upon Russia in response to its malign activities," the official said.

In Moscow, Russian member of parliament Franz Klintsevich said the sanctions would not affect the S-400 and SU-35 contracts.

"I am sure that these contracts will be executed in line with the schedule," Klintsevich was quoted as saying by Russia's Interfax news agency. "The possession of this military equipment is very important for China."

Security analysts in Asia said the move appeared to be largely symbolic and would serve only

to push Moscow and Beijing closer together.

"The imposition of U.S. sanctions will have zero impact on Russian arms sales to China," said Ian Storey, of Singapore's ISEAS Yusof Ishak Institute.

"Both countries are opposed to what they see as U.S. bullying and these kind of actions will just push Beijing and Moscow even closer together," he said, adding that Moscow needed Chinese money and Beijing wanted advanced military technology.

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Collin Koh, a security analyst at Singapore's S Rajaratnam School of International Studies, said the sanctions would do little to counter the evolving research and development relationship between China and Russia.

China relied less on large big-ticket purchases from Russia as in previous years, but Chinese defence industries were seeking expertise from Russia and former-Soviet states to plug knowledge gaps, he said.

The measures come as the Trump administration pursues a variety of strategies to clamp down on China and faces growing pressure to respond strongly to U.S. intelligence agency reports that Russia is continuing to meddle in U.S. politics.

Members of Congress, including many of Trump's fellow Republicans, who passed the sanctions bill nearly unanimously, have repeatedly called on the administration to take a harder line against Moscow.

Administration officials said they hoped the action against EDD would send a message to others considering buying the S-400.

U.S. officials have been discussing the issue particularly with NATO ally Turkey, which wants to buy the Russian-made S-400 surface-to-air missile batteries.

Washington has expressed concern that Turkey's planned deployment of the S-400s could pose a risk to the security of some U.S.-made weapons and other technology used by Turkey, including the F-35 fighter jet.

U.S. officials have warned that Turkey's purchase of the system could contravene CAATSA.

"We hope that at least this step will send a signal of our seriousness and perhaps encourage others to think twice about their own engagement with the Russian defense and intelligence sectors," another U.S. official said.

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