Not Stopping Cold: China’s Emerging Strategies in the Arctic

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Note d’actualité n°13/16 de l’Observatoire de la Chine, cycle 2016-2017
Décembre 2016
In comparison with that of the eight states which border the Arctic Ocean, and other countries such as those in Western and Central Europe which have experienced long histories of exploration in the north circumpolar region, China’s Arctic policy remains very much a work in progress. Although Beijing, under President Xi Jinping, has greatly expanded its Arctic policies, both political and economic, over the past decade, there is yet to be an issue-specific governmental plan published which outlines China’s emerging interests in the Arctic (and the Antarctic). Until recently, Chinese policymakers were also somewhat reluctant to publically describe the country’s Arctic affairs except in very broad dimensions. For example, in 2009 when asked about the subject, a senior Chinese foreign policy official stated for the record that Beijing “does not have an Arctic strategy”. The main reason for such modesty was the general view in Chinese foreign policy circles that the country’s Arctic affairs had not evolved to the degree that such a document was required, either for domestic or international consumption.

Another more tacit reason for a delay in publishing such an Arctic policy paper was that the publication of such a paper would inevitably result in a great deal of scrutiny from a variety of directions given China’s great power status and its burgeoning cross-regional diplomacy which has seen Beijing’s cross-regional economic and political interests grow considerably, including in Africa, Europe, Latin America and Oceania. Since China, unlike other great powers, namely Russia and the United States, lacks an Arctic border, there was originally a high degree of wariness that any stated Arctic policy by Beijing would invite concerns it was seeking to gate-crash its way into the region. There has been a great deal of outside speculation about the economic and political future of the Arctic as the region continues to be subject to climate change and ice erosion. At the same time, the degree of policy research in China on non-scientific aspects of the Arctic is still comparatively low but steadily increasing.

At present, Beijing is working to develop not only a more comprehensive Arctic policy but also more concrete Arctic identity. To accomplish this, the country has sought to augment its diplomatic presence in the region through bilateral means, including stronger engagement with key Arctic governments and players, as well as via multilateral means including engagement with the Arctic Council, which Beijing joined as a formal observer in 2013, and Track II Arctic organisations including the Arctic Circle (Reykjavik) and Arctic Frontiers (Tromsø) conferences. Despite China’s long historical interest in the northern polar region, it can be argued that Chinese Arctic policy has only been formalised during the last two decades, and this at a time when the Arctic as a whole has undergone not only vast physical changes, due largely to ice erosion as a product of climate change, but also economic, social, political, and indeed strategic transformations as the region falls under greater international observation.

Despite Beijing’s increasing Arctic interests, the Xi government has repeatedly sought to downplay the role of security in Chinese circumpolar diplomacy. However, the emerging geopolitics of the Arctic, and ongoing questions about its future economic value, have meant that China can ill-afford to ignore the various policy dimensions of the region, especially given the country’s lack of an Arctic border and the large number of strategic variables which are important to Beijing’s foreign policy interests.

Unpacking China’s Arctic Interests

In late 2015, it was stated that a specific governmental White Paper regarding the Arctic was in preparation for release at an unspecified date. In the interim it is possible to discern Beijing’s emerging areas of interest in Arctic affairs in a greater diversity of areas. Foremost, there is a focus on China seeking to develop enhanced scientific diplomacy in the Arctic, both in accordance with the country’s great power status and also as an acknowledgement of China’s proximity to the Arctic region. As well, the effects of regional climate change on Chinese weather patterns have justified China’s engagement with any major existing and emerging regimes addressing Arctic affairs. For example, record cold temperatures in southern China during January 2016 were traced back to a changing Arctic climate and diminishing local ice. It was this argument that formed the basis for Chinese views that the country should be considered a ‘near-Arctic state’ (近北极国家) despite its lack of far-northern geography, and critical views from outside analysts concerned that Beijing was seeking a strategic foothold in the region under the aegis of that

1- Canada, Denmark (via the Faroe Islands and Greenland), Finland, Iceland, Norway, Sweden, Russia and the United States.
3- Interviews with Chinese Arctic policy specialists, Shanghai, April 2014.
6- Interview with PRC Ministry of Foreign Affairs official, Reykjavik, October 2015.
In addition to the climate change argument, Beijing is also seeking to elucidate its ‘near-Arctic state’ thinking by improving its hard science competence in the Arctic. China’s current regional scientific interests can be traced back to the country’s signing of the Svalbard Treaty in 1925, allowing Chinese vessels to engage in fishing and commercial activities in the high Arctic region, but there was little Chinese activity in the region until decades later. Beijing began to expand its Arctic research agenda with its first North Pole expedition in 1999, followed by sea-based research expeditions. In 1996, China joined the International Arctic Scientific Committee (IASC), a non-governmental organisation which coordinates regional scientific research initiatives. Beijing’s Arctic interests culminated in the opening of the Yellow River Station (Huanghe zhan 黄河站) for scientific research at Ny-Ålesund on the Norwegian islands of Svalbard in 2004. China has also built four research bases in Antarctica, starting with Kunlun Station (Kunlun zhan 昆仑站) opened in 2009, with a fifth planned for 2017. Plans are also in place for an air squadron to support Chinese research missions on the continent as well as an Antarctic astronomical research facility.

China’s Polar Research Institute also operates an icebreaking vessel, the Xuelong (雪龙 ‘Snow Dragon’), originally purchased from Ukraine and refitted in 2007, for research missions near both poles. A second icebreaker, potentially nuclear-powered and costing approximately US$150 million (140 million euros), is scheduled to be completed in 2018. In regards to air support, a new fixed-wing aircraft designed for polar flights, the Xueying-601 (雪鹰601 ‘Snow Eagle 601’) began to undergo tests in Antarctica in January 2016, and Beijing has also expressed interest in purchasing Russian-made Mi-8.

China has also reportedly begun to develop its own aircraft, the AMTSh-VA helicopters modified specifically for polar conditions.

Second, beyond scientific interests, the economic advantages of the Arctic have also caught the attention of numerous Chinese policymakers including in the areas of resources, fossil fuels and shipping. Despite declining prices for both oil and gas as well as commodities after 2014, the resource potential of the Arctic continues to factor into Beijing’s developing Arctic thinking. Russia, not surprisingly, is key to many of these policies. In May 2014, a thirty-year natural gas deal worth approximately US$400 billion (370 billion euros), was struck between the China National Petroleum Corporation (CNPC) and the Russian energy firm Gazprom. Two Chinese banks, the Export-Import (Exim) Bank of China and the China Development Bank agreed in April 2016 to provide US$12 billion (11 billion euros) in loans to support the development of the US$27 billion (25 billion euros) Yamal liquified natural gas project in Northeastern Siberia, which would see LNG being shipped from Northern Russia to China and elsewhere in Northeast Asia by 2017. This would suggest a conviction that depressed global energy prices will rebound in the near future to the point where such initiatives would potentially be profitable.

In addition to Russian energy projects, the China National Offshore Oil Corporation (CNOOC) and Reykjavík-based energy concern Eykón signed an agreement along with Norway’s Petoro to survey for oil and gas in the Drek region near Jan Mayen Island in the North Atlantic, Beijing’s Arctic policy, and this approach has also affected China’s Arctic interests, including in the areas of climatology (especially climate change), geography, geology, glaciology and oceanography continue to shape much of Beijing’s Arctic policy, and this approach has also affected Chinese diplomacy in the region. Beijing has expressed interest in developing scientific partnerships with Arctic states in a variety of fields. Examples have included the China-Iceland Joint Aurora Observatory (CIAO) at Kárhóll in northern Iceland, expected to open in early 2017, and an announcement made in February 2016 by the State Oceanic Administration (SOA) of a potential joint Arctic exploration mission with Russia later in the year.


11. ‘Yellow River Station Opens in Arctic,’ China Daily, 29 July 2004.

the first such foray for Iceland into regional fossil fuel drilling. Seismic surveys were completed in the region in 2015, with plans to commence drilling in 202214. In addition to the Dreki project and the associated Greenland Minerals and Energy, an Australian company seeking to develop the Qv Keeilalik area near the island’s southern tip, a region rich in rare earth elements and uranium21. In addition to commodities, Beijing is regarding the Arctic through the lens of potential maritime trade routes in the region, especially the Northern Sea Route (NSR), as more of the Arctic Ocean becomes ice-free during the summer months. This, as the Xi government continues to develop ambitious land and sea trade routes as part of an overall initiative known as the “Belt and Road” (yidai yilu 一带一路) designed to better link China with key markets in Africa, Eurasia and Europe22. These routes would create shorter and less expensive transit times between key markets, especially between Europe and East Asia, and are an offshoot of Beijing’s interest, introduced during the period of Chinese ‘deep economic reform’ in the 1990s, in creating ‘sea lanes of communication’ (haishang tongdao 海上通道), or SLoCs, to enhance Chinese trading interests. With the increase in Chinese exports, there has been greater concern expressed in Beijing about the protection of maritime shipping from foreign interference or even interdiction, including by state and non-state actors, an issue referred to as the ‘Malacca Dilemma’ (Malaiju kunju 马六甲困局), a reference to the Malacca Straits through which much Chinese maritime trade, including fossil fuels, passes23. Thus, the widening and deepening of trade routes have been constantly sought by China with the Belt and Road initiative representing a major step forward in this thinking.

It would be premature to debate whether an enhanced use of Arctic trade routes, an ‘Ice Road’ (haiguo 冰路) perhaps involving the NSR or other opening channels in the Arctic Ocean, will also factor into the future development of Belt and Road strategies. Yet, should the Arctic become more usable for maritime transit due to retreating ice, it is likely that China would eventually wish to make expanded use of such outlets24. Beijing further demonstrated its overall commitment to participating in the NSR’s future opening for commercial shipping in August-September 2013 when the modified Chinese cargo vessel Yongsheng (永盛), built in 2001 and owned by China Cosco Shipping Group, travelled from the port of Dalian to Rotterdam in thirty-three days via the Arctic route, saving approximately

18- ‘China’s Energy Giant Willing to Cooperate in Arctic Resources Extraction,’ China Daily (Europe), 20 January 2015.

Beijing clarified its plans for the potential use of another Arctic route, namely the Northwest Passage (NWP), when China’s Maritime Safety Administration published an Arctic navigation guide in April 2016 which carefully described the geography and transit conditions of the waterways surrounding the Canadian Arctic Archipelago and their potential usage by Chinese vessels, a follow-up to a similar manual covering the NSR region which was published in 2014. This was followed by a more formal statement from Beijing, announcing that Chinese shipping vessels may also use the NWP in the near future as a means of circumventing the Panama Canal and reducing transit time between East Asia and the North American east coast. Despite the announcement that use of the NWP by Chinese ships would be for economic purposes only, the statement revived a political controversy between Canada and the United States over the legal status of the Passage. Canada considers the NWP, made up of seven specific routes between the archipelago, to be its internal waters, while Washington has maintained that the region constitutes international waters. Thus far, Beijing has avoided expressing a public opinion on the dispute, noting that ‘China noted that Canada considers this route as internal waters, while some countries believe it was open for international navigation,’ and that when regional shipping commences, the Chinese government would make ‘appropriate decisions by taking into account various factors.’

Although Beijing has stressed the peaceful use of the Arctic region for scientific and economic purposes, the ability to send ships through the Arctic will be a critical test of the country’s evolving strategic policy of expanding its maritime interests further beyond Chinese waters, including in more environmentally hostile regions such as the far north. The depth of China’s commitment to accessing Arctic waters was well-indicated when five Chinese People’s Liberation Army Navy (PLAN) vessels transited the Bering Sea off the coast of Alaska, without informing the US government, in September 2015. Although the routing was legal under the international rules of ‘innocent passage’, the transit through US territorial waters nevertheless took place when President Obama was in the state and speaking at the GLACIER Conference on Arctic affairs, and was interpreted as a signal of the degree of importance Beijing has placed on developing a polar maritime presence.

Despite ongoing uncertainties in the global economy, which have affected shipping along with many other sectors, Beijing seemingly continues to consider the Arctic as a valuable transit route for Chinese commerce in the future. At the October 2016 Arctic Circle conference, a speech by Ding Nong, Executive Vice President of Chinese shipping company Cosco, included a reference on the importance of the NSR to future Arctic shipping as well as three proposals, namely the need for ‘regularizing behaviours’ to ensure environmental protection and social responsibility, strict adherence to the Polar Code, which is to come into effect in 2017 to regulate responsible Arctic shipping, and the desirability of cooperation and joint research with Arctic nations. It was also noted that in addition to the Yongsheng, which was designed to be the test vessel for Chinese Arctic transits, four other ‘low-ice’ vessels also made limited one-way journeys through the NSR in 2016, suggesting that Cosco was preparing to develop a more robust Arctic Ocean shipping presence.

It remains uncertain when the NSR and other sea routes in the Arctic will be able to handle larger-scale maritime traffic, but a key part of China’s economic strategy in the region is to be prepared for the day when an ‘Ice road’ becomes a reality for Beijing.

New Directions in Chinese Arctic Diplomacy

At the October 2015 Arctic Circle conference, a video greeting was played from Chinese Foreign Minister Wang Yi, who in his short speech praised China’s emerging Arctic policies noting that his country’s interests in the region have ‘always been guided by three principles: respect, cooperation and win-win.’ This was followed by a speech by Chinese Vice-Foreign Minister Zhang Ming, who presented the closest statement to a formal Arctic policy on Beijing’s behalf in the form of a six-point strategy for China-Arctic relations: 1) China and other actors must ‘further explore and understand the Arctic.’ Various Arctic interests including those in government, business, academia and research should share resources in the name of further understanding the region in the hopes of building knowledge and protecting the region.

2) The international community must ‘protect and rationally use the Arctic’. Noting that the Arctic exists within a fragile environment, a balance needs to be made between maximising the region’s economic potential as a source of resources and a location for shipping, and its tenuous ecosystem.

3) All actors should ‘respect the inherent rights of Arctic countries and the indigenous people’. This would include not only Arctic governments and the peoples themselves but also their sovereignty and their environment and resources.

4) All actors should also ‘respect the rights of non-Arctic countries and the overall interests of the international community’. It was stressed that non-Arctic governments have the right to conduct research, engage in economic activities such as maritime navigation and explore the region. These activities would be undertaken in accordance with international law, and with the understanding that ‘the overall interests of the international community in the Arctic should be respected.’

5) A ‘multi-tiered Arctic cooperation framework’ should be constructed ‘for win-win results’. These regimes would address a variety of areas related to Arctic governance, would include non-Arctic states and interests, and exist on local, regional and global levels.

6) The international community should ‘uphold the Arctic governance system based on existing international law’. This includes respect for the United Nations Charter, the UN Convention on the Law of the Sea (UNCLOS), the Spitsbergen Treaty and other legal regimes relevant to Arctic affairs. It was stressed that Beijing strongly supports improving Arctic governance and the role of organisations such as the Arctic Council and the International Maritime Organisation.

These six points, on one hand, affirm Beijing’s interests in acknowledging Arctic sovereignty and stressing the importance of environmental protection in the region, while also supporting scientific and economic activities as more of the region becomes accessible, due to climate change. However, the underlying theme of the six points, especially the fourth and fifth, was that China views the rights and entitlements of non-Arctic actors (such as itself) to also be important, and that it would not be preferred by Beijing if future regional development were to be somehow restricted exclusively to the Arctic states. At present, China is satisfied with its status as an Arctic Council observer, but at the same time, the country is interested in ensuring that the emerging regional agenda is not dominated by the Arctic governments, and so it remains an open question whether China will want a greater say in Arctic affairs as Beijing’s global power grows and the Arctic continues to grow as an economic and strategic concern.

China’s interests in further coordination with non-Arctic states in Arctic affairs was also realised when low-level talks began on Arctic scientific cooperation between China, Japan and South Korea. The catalyst for those talks appeared in November 2015, when President Xi Jinping and Japanese Prime Minister Shinzō Abe met in Seoul with Korean President Park Geun-hye in an effort to repair regional political ties. One of the decisions made during the summit was to call for a separate trilateral meeting specifically concerning Arctic affairs and potential collaboration. That meeting took place in April 2016, with senior Arctic officials from each of the three governments meeting and consenting to regular dialogues and cooperation on scientific projects in the region.

Although this area of trilateral cooperation remains nascent, the initiative underscored Beijing’s commitment to develop Arctic collaboration on the East Asian regional level and to also press the idea that Arctic affairs could and should also be addressed by states outside of that region.

A ‘slow and steady’ approach to the Arctic appears to remain the best option for Beijing as it navigates both the environmental and political changes in the far north. While China has successfully expanded its Arctic interests and partnerships on a variety of levels, the process of building an Arctic identity continues and there remains sensitivity in Beijing to being perceived either as an outsider or as a spoiler. However, there are many variables which might prompt a change in direction, including a return to higher energy and commodity prices which would make the Arctic a more attractive prospect for exploration and development, ongoing tensions between Russia and the United States which might spill over into the Arctic region, and the creation of new organisations as a result of the Arctic’s expanded role in global affairs. For the present, however, the combination of scientific, economic and political diplomacy has served China’s evolving Arctic interests remarkably well.