



[The Arctic. Between Conflict and Cooperation](#)

The Self-Proclaimed Near-Arctic State

China's Policy in the Northern Polar Region

David Merkle

Some 13 degrees of latitude separate the northernmost point of China from the Arctic Circle. Yet for years now, the People's Republic has been pushing to expand its influence in the Arctic. This is firstly due to the fact that as a rising economic power, it is hungry for raw materials. Secondly, the leadership in Beijing has identified the region as an important zone in a potential future superpower conflict.

Any talk of the People's Republic of China in the pre-COVID era tended to emphasise the narrative of unbridled growth and of "China's rise" – becoming the second largest economy in the world, the (still) most populous country on earth, the nation that, drawing on socialist values around the "core of the Communist Party", wants to enable its population to attain world-leading status through "prosperity for all". Even though initial signs of an overheating Chinese economy repeatedly made headlines during that period, the core message sent out by the state and party organs was very clear: China's international rise is unstoppable.

When Xi Jinping took over office as party leader in 2012 and was formally appointed head of state in 2013, it became increasingly clear just how much the Communist leadership's thinking was determined by the aspiration to shape international structures based on a superpower role: driven by a growing demand for raw materials and technological know-how, China has advanced to become a country that demonstrates increasing self-confidence towards the outside world, no longer hides its ambitions and continues to demand the acceptance and support of the global community for its political projects – including its involvement in the various regions of the world in which it has been able to secure considerable political and economic influence over the past two decades. Long overshadowed to some extent by other dynamic regions of world politics, the Arctic has now moved into the focus of Chinese strategic considerations.

China in the Arctic – Origins and Background

China began to show greater engagement in the Arctic as long ago as the 2000s, when numerous research projects were initiated between Chinese institutions and counterparts in Arctic states, and bilateral memorandums of understanding were signed with the governments of the respective countries.¹ This provided the basis for scientific expeditions to be launched in the Arctic region. As early as 1999, research trips began to be carried out with the icebreaker and research ship Xue Long (Snow Dragon), which was acquired from Ukraine.² Since then, Chinese research institutes have been closely engaged in climate change research in the Arctic Ocean, including involvement in the international MOSAiC project led by the Alfred Wegener Institute, which brings together scientists from 20 nations.³ The Yellow River Station (Huánghé Zhàn) was founded in Svalbard, Norway, in 2003 – China's first polar research centre.

In 2013, after years of insistence, China was admitted as a permanent observer country to the Arctic Council, the main regional body for dealing with intergovernmental (but explicitly non-security) issues. In this way, the People's Republic attained the status held by twelve other states, including Germany, France, Poland, South Korea, Singapore and Japan, all of which maintain a powerful presence in the region without being Arctic states themselves.⁴ The observer status entitles China to participate in all Council meetings and workshops organised

by the Council, which mainly address issues relating to climate protection and sustainable development.⁵

In the run-up to its admission as an observer, China pointed emphatically to its extensive scientific and economic engagement in the region and argued that developments connected with global warming and ice melt in the Arctic had direct consequences for China and the world as a whole.⁶ It was in the 2018 White Paper on China's Arctic policy that the Beijing leadership first declared itself to be a "Near-Arctic State",⁷ and China has used this epithet ostentatiously ever since to underline its "legitimate interests" in the region. According to the White Paper,

"China is an important stakeholder in Arctic affairs. Geographically, China is a 'Near-Arctic State', one of the continental States that are closest to the Arctic Circle."⁸

In this way, China tries to play down the fact that it does not exercise sovereignty over Arctic territory,⁹ referring to the entitlement of non Arctic states too to conduct comprehensive operations on the high seas "as stipulated in treaties such as UNCLOS [...] and general international law".¹⁰ Since the notion of a "Near-Arctic State" does not even exist in international parlance and is not officially recognised, the White Paper primarily attempts to highlight the direct implications that the melting of the ice in the Arctic



Flexible interpretation of geography: China's Vice Foreign Minister presents his country's white paper on Arctic policy at the beginning of 2018. In it, the People's Republic declares itself a "Near-Arctic State". Photo: © Shen Hong, Photoshot, picture alliance.

has in terms of the climate and ecosystem in China itself. It specifically mentions the direct consequences for Chinese agriculture, fisheries, forestry and other areas in the primary sector.¹¹ It is on this basis that China articulates its claim to be involved in a broad, multilateral form of governance in the region.

In practice, China has also intensified its diplomatic advances towards the eight Arctic countries over the past 20 years, as evidenced by a high number of visits by senior-level politicians and the initiation of track two contacts – activities that are unofficial in nature, bringing together academics, think tanks and business actors.¹² In its White Paper, China clearly sets out its claim to be entitled to have a say in regional governance issues too, with the principal aim of preventing regional governance structures from being directed against Chinese ambitions. This is in line with China’s active engagement in global structures.

Greenland and Iceland in particular have long been the focus of Chinese attention.

China’s Quest for Energy and Raw Materials

With the “Polar Silk Road”, the Arctic region is being incorporated into the so-called New Silk Road (Belt and Road Initiative), a large-scale Chinese project to develop an intercontinental infrastructure and trade network. The potential shipping routes of the “Polar Silk Road” run west from Greenland along the Canadian coast (Northwest Passage), from Scandinavia along the Siberian coast of Russia (Northeast Passage) and centrally between Svalbard and Greenland (Transpolar Sea Route) into the Bering Strait.¹³

These routes through the Arctic pass oil and gas deposits, although the exact quantities are unclear, and whether exploitation is actually profitable depends on numerous factors that are difficult to predict. As a state without territorial

rights in the Arctic, China’s leadership is aware that these deposits are largely located in areas that are either clearly owned by Arctic states due to their location or are considered exclusive economic zones (EEZs) under Article 55 of the United Nations Convention on the Law of the Sea (UNCLOS), i.e. maritime territory beyond coastal areas in which the respective adjacent coastal state can exercise “control over all economic resources” and therefore sovereign rights and powers.¹⁴ For this reason, Chinese state-owned companies are gaining access primarily by investing in the infrastructure needed to extract the raw materials. They are by no means alone in this, but instead compete with mine operators from countries such as the United States and Australia. In other cases, however, they are also shareholders and cooperate with international companies in the processing of raw materials – an area in which Chinese companies possess the necessary expertise and are in some cases unrivalled, especially in downstream processing.¹⁵ In addition, bilateral agreements have been negotiated at the political level in recent years that give China access to the abundant fish resources, oil extraction and the joint exploitation of sources of rare earths and other minerals.

Greenland and Iceland in particular have long been the focus of Chinese attention. In Greenland, the opening of a planned mine project at a site called Kvanefjeld – the subject of a bitter struggle between the political parties in Greenland – became a core issue in the great debate about the future of the island, which, although autonomous, is formally part of the Kingdom of Denmark: alongside the issue of environmental protection, concerns are increasingly being raised regarding the dangers of growing dependency on actors such as China. The state-owned Chinese company Shenghe Resources previously acquired a 12.5 per cent stake in Kvanefjeld, which is believed to contain a large number of minerals needed to make electronic components of products such as e-cars, wind turbines and mobile phones, including scandium and yttrium¹⁶ – otherwise found almost exclusively in China. In the meantime, however, the political discussion in Greenland has turned around

to such an extent that disillusionment has also set in among the economic actors. With the Uranium Act passed by Greenland, the project was then put on hold for the time being for environmental reasons.¹⁷

Alongside many other examples, this project reflects the fact that China's involvement is primarily a bet on the region's growing strategic importance as a trade and transport corridor.

As the ice continues to melt, shipping routes become navigable both earlier and later in the year. With higher transport volumes – according to the calculation – transport costs also fall and would make the costly investments in building infrastructure, logistics and local economic engagement more profitable. China hopes that the polar routes will enable it to diversify its trade and transport routes, giving it alternatives in case its shipping were to be



Active in polar research for years: The icebreaker Snow Dragon, once acquired from Ukraine, departs from the port of Shanghai for an expedition. Photo: © Qnb, dpa/HPIC, picture alliance.

subjected to a blockade of the internationally most important Strait of Malacca, or of the Suez Canal leading towards the Mediterranean and Europe.¹⁸

On Track to Becoming a “Polar Superpower”?

China faces global competition for access and navigation rights in the Arctic. The start of an extensive Chinese presence in the region was

marked by bilateral agreements concluded between China and individual Arctic countries such as Sweden, Norway and Denmark that allow the People’s Republic – or at least did so for a long time – to operate its own research stations or conduct scientific and technological research projects in cooperation with the respective countries. In addition to climate research, there is also close cooperation with Russian institutes, including the expansion of navigation and network infrastructure through the installation of submarine cables.

There are now a number of indications as to how far the development of the region has progressed as a result of its connection to the Chinese satellite system BeiDou, and conclusions can be drawn as to China’s security policy ambitions in the region.¹⁹ The dual-use characteristics of Chinese activities in the science and climate sector become evident here, i.e. expertise that can be used in both the civilian and military sectors. Underlining China’s strategic intentions in the competition between the superpowers, these activities have been neither downplayed nor concealed in speeches by the political leadership in recent years. On the contrary, China’s head of state and party leader Xi Jinping has made it clear that making China a “great polar power” by 2030 is an explicit goal.

Since the Russian war of aggression began, divisions between Russia and the other Arctic states have deepened further.

This is not at all surprising in the context of China’s power political considerations: the Arctic has been identified as one of the spheres in the superpower conflict in which the battle for power and control over the future order has yet to be played out. China’s leadership therefore sees this as an opportunity to assert its own ideas regarding political order in the region.²⁰



This is where military presence and power projection have a crucial role to play: in 2015, five People's Liberation Army ships appeared off the coast of Alaska for the first time, demonstrating China's determination to convey to the United States and its allies that they can expect a growing Chinese military presence in the Arctic in the future.²¹

In addition, China is also specifically courting states such as Iceland and Finland on a bilateral level: these countries have long been perceived by China as politically more neutral actors. According to the People's Republic's calculations, Iceland and Finland could moderate the position of countries such as the US, Canada, Sweden and Norway, which have long viewed China's involvement in the Arctic with a great deal of suspicion, and also influence the decisions of the Arctic Council in this sense. From a Chinese perspective, the region is thus primarily being integrated into the country's global New Silk Road project, one of the central aims of which is to diversify transport routes to open up a range of land and water supply routes for China. Here, too, there are a number of indications from military discourse within China that the country also believes this to be important in terms of security policy: in the event of a direct military conflict, supply routes can be used for military purposes as well. As such, access to port facilities and terminals established for logistics purposes is of particular interest.²²

Chinese state-owned companies hold 20 per cent of the Yamal LNG plant, which is controlled by the Russian energy company Novatek.

The “Polar Silk Road”

With Russia's encroachment and its annexation of Crimea in 2014, the shifting security axes have already had a noticeable impact on military

dynamics in the Arctic region. Since the Russian war of aggression against Ukraine began in February 2022, divisions between Russia and the other Arctic states have deepened further. The current realignment of relations between the West and Russia also specifically affects the close relations between Russia and China, as well as the resulting relationship between the West and these two actors.

The picture of Chinese investments remains multi-layered.²³ Chinese state-owned enterprises continue to invest in numerous projects in the region, while others have been put on hold by the target countries due to safety concerns or environmental regulations. A lack of financial commitment on the Chinese side is another reason why some projects have been suspended or cancelled. The 14th Five-Year Plan, adopted by the National People's Congress in March 2021, underlines the growing importance of the Arctic (and also the Antarctic, where China has been active since the 1980s and has been a Consultative Party to the Antarctic Treaty since 1985) for China's goal of becoming a “maritime superpower”.²⁴ The two polar regions are mentioned in the same breath as the deep sea, outer space and cyberspace as “strategic new frontiers” in which China – in competition with the United States and other powers – has long considered itself to be engaged in a struggle to exert influence and shape the rules, a struggle to which it is devoting extensive financial resources.²⁵

The use of the Northeast Passage by cargo ships is still in the early stages and numbers are low. The ships that have sailed this route regularly since 2015 are mainly those belonging to the Chinese shipping company COSCO (China COSCO Shipping Corporation). In 2018, that company alone was responsible for seven out of a total of twelve voyages by cargo vessels via the passage that passes along the Siberian coast.²⁶ This route is important to the New Silk Road initiative, especially for the transport of natural gas from the Russian Yamal LNG plant to China, but in winter it can only be used with the help of icebreakers.

Russia and China: The Arctic as a Site of Common Strategic Interests?

Chinese state-owned companies hold 20 per cent of the Yamal LNG plant: this is controlled by the Russian energy company Novatek and will in future secure annual supplies of around four million tonnes of liquefied natural gas for China.²⁷ At the same time, Chinese participation is helping Russia to develop and expand the extraction of liquefied gas deposits in the region, which is technically complex and cost-intensive due to the geographical conditions. In the wake of the geopolitical upheavals between the West and Russia, energy exports to Asia, and especially to China, have gained in importance for Moscow since it has lost most of its Western energy customers as a result of the sanctions. The level of China's energy imports from Russia has increased significantly since February 2022: since the start of the Russian war of aggression, the average value of China's monthly energy imports from Russia has been 20 per cent higher than in the previous year.

China and Russia have made progress on a whole range of research and development projects in the Arctic over the past decade. These scientific initiatives are centred around research institutions that have close links with the military on both the Russian and Chinese side.²⁸ Joint activities pursued by the two countries are devoted to research into areas such as underwater acoustics, which is considered to be a key technology for detecting marine activities. In the field of satellite-based navigation, the two countries have also taken significant steps to integrate their systems: this particularly indicates that they are actively exchanging intelligence data.²⁹

Even after the Russian invasion of Ukraine, Russian and Chinese naval forces continued to carry out joint military manoeuvres – almost as a matter of course. The cooperative exercises in September 2022 focused on such elements as “joint tactical maneuvering, communications between the ships in the group, and exercises involving live-fire artillery shooting and flights of vessel-based helicopters.”³⁰ While China's growing

importance in the Arctic is by no means always congruent with Russia's interests, Moscow's growing dependencies on Beijing reinforce China and Russia's shared geostrategic ambitions to balance US influence over the other Arctic states and to expand military and economic control over vast swathes of the polar sea lanes.

The Arctic of the Future: How Should China Be Dealt with?

In the wake of Russia's expansionism and growing Russian-Chinese cooperation, the security policy dimension of the Arctic has now moved to centre stage in the German and European debate. “It is recognized that potential Arctic conflicts and the region's increasing militarization also affect German security interests.”³¹ One of the conclusions to be drawn from this is that Europe needs to become more involved, particularly in terms of engaging in substantial military cooperation with the Nordic countries and strengthening the resilience of Nordic societies. EU and NATO allies should play an active role here, focusing more than anything on providing complementary support for the Arctic states, in particular the Nordic countries. Germany has the potential to make an important contribution, not least within the framework of the EU Strategic Compass, thereby underlining the fact that its allies can rely on active support in defending the rules-based order and free navigation in the international waters of the Arctic.

The Chinese Communist Party continues to think in the categories of “social stability” and “national security”.

Especially in view of China's intensive efforts to push ahead with research projects initiated jointly with Russia that allow maritime and nautical capabilities to be transferred to and implemented in military applications, it is important to be aware of China's long-term intentions (in this case in cooperation with Russia) in terms

of shifting the balance of power in the Arctic region, but also in the Baltic Sea and the North Atlantic. This is particularly true of the Chinese Navy's strategic focus on maritime trade and transport routes in these important waters.

This is why it remains of fundamental importance to combine information and experience from our own discussions with China with observations that allow China's power political objectives to be discerned. This includes China's actions in its own neighbourhood, namely with regard to Taiwan and the East and South China Seas. These mechanisms need to be systematically analysed and elaborated in detail. These activities do not yet provide any indication of the extent to which the People's Republic is prepared to formulate its own interests so openly in the Arctic region too and to demonstrate them in military form. But they do allow conclusions to be drawn about the extent to which China is prepared to challenge the United States and the Western alliance in other regions. They also provide insights into the methods with which China manages (or does not manage) to assert its claims against bordering states.

Not least in view of the 20th National Congress of the Communist Party in November 2022, there are clear signs that the thinking of the leadership in Beijing will continue to be geared towards the principal categories of "social/national stability" and "national security". In essence, the Chinese Communist Party remains trapped in an ideological mindset in which it sees itself in a "struggle with the West". One conclusion must therefore be that cooperation with China on international issues – and also regional issues – will barely be possible without being able to understand and interpret the core elements of China's strategic interests.

In view of China's growing involvement in the Arctic, this means that the EU is called upon to support the Nordic countries – by means including intelligence networking – to realistically judge China's maritime capabilities and the Chinese power projections they feed. Particularly in view of the shortening of trade routes

via the polar routes (especially via the North-east Passage) and the potential savings in CO₂-intensive maritime freight transport, Germany and Europe must do everything in their power not to fall behind technologically in the development of satellite-based navigation capabilities to cover the Arctic. Here, it will be crucial for them to substantially improve their own navigation capabilities and set them up in such a way that they cannot become an easy target of hybrid military operations in the event of a conflict.

- translated from German -

David Merkle is Desk Officer for China at the Asia and Pacific Department of the Konrad-Adenauer-Stiftung.

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