

Out of Area? China and the Arctic

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Chinese policy in the Arctic is ambitious, yet far from welcome in all quarters



Credit: Polarjournal

Introduction

Is the Arctic not rather too far from China to be considered an area of interest? In fact, China has long defined itself as a 'Near Arctic Power', and in 2018 published its first [Arctic Policy](#). To that end, China has for several years tried inserting itself in relevant fora, as well as striking up partnership with regional actors, must successfully with Russia. China's argument is that what happens in the Arctic is of importance to everyone. Not surprisingly, not everybody appreciates China's presence.

The Arctic players – and China

To date, the Arctic has been the preserve of the actual Arctic states, organized in the Arctic Council. China was allowed [observer status](#) in 2013. Most [full members](#), though, prefer to keep policy within their circle. Yet in recent years, the Arctic Council has been weakened, not least as Russia's war on Ukraine has poisoned Arctic cooperation too. Following Russia's full-scale invasion much Council work was suspended, and in February 2024, [Russia ceased its payments](#) to the Council. Even before that, as its relations with the West deteriorated, Russia had, for both political and economic reasons, become more open to China's interest in the region.

Wider Geopolitical contestation

The mantra has long been that the Arctic should be a [zone of pragmatic cooperation](#) on issues of common interest, somehow exempt from [power political tensions](#) that persist elsewhere. That notion seems increasingly other-worldly. Russia has for a long time been expanding its [military presence](#) to levels not seen since the Cold War. Furthermore, as the only country in the world, Russia fields a sizeable fleet of nuclear-powered icebreakers, allowing it a permanent presence in the far north. By comparison, and despite more than a decade of warnings, the [US presence is minuscule](#).

The Americans are, at least rhetorically, coming round to the need for a more active Arctic policy. A new [Arctic Strategy](#) published in July 2024 recognised the increased importance of the region, as well Chinese activity and the threat from Russia. The new strategy pledged to „uphold defense and deterrence” in partnership with allies in the region. The strategy also called for US allies to increase their own capabilities in the region. Another new initiative is the ICE Pact – [Icebreaker Collaboration Effort](#) – between the US, Canada and Finland to pool their expertise and resources to build a new fleet of icebreakers. The new initiative has even been likened to the AUKUS agreements on nuclear submarines with the UK and Australia. While that may seem like hyperbole, it is a recognition that the US has neglected the Arctic and must catch up with Russia and China.

The increasingly relevant Arctic

One major reason the Arctic attracts attention is the impact climate change. As ice caps have melted, sea routes have opened north of Russia. The Northern Sea Route, closest to Russia, which will become ice-free first, will [potentially cut travel time](#) between China and Europe by 40-50%, compared to sailing through the Suez, let alone south of Africa. The North-West Passage will achieve the same for the US and Canadian markets, but will not be fully open for several more decades. Container ships have already successfully navigated the northern route, but for most of the year, the route remains hazardous due to icebergs and fog. Even the first successful passage [relied heavily on coast guard support](#) and the presence of icebreakers. Even so, it gave a sense of what may eventually become possible.

China's interest in shorter sea routes is understandable, given its export-dependent economic model. Precisely for this reason, sea routes and shipping lanes were heavily emphasized in its Arctic Strategy. One major aspect is the development of the necessary infrastructure along the new sea routes. China has already made [significant investments](#) in facilities, as have the United Arab Emirates. Since 2023, Russia and China have established [formal cooperation](#) between their coast guards. Given the geopolitical climate, however, it is doubtful that Europeans and Americans will be keen to let commercial shipping become dependent on passing through Russian territorial waters. In the Arctic as elsewhere, China is understandably cautious about getting on the [wrong side of Western sanctions](#). On the other hand, China and Russia restated their commitment to developing the [Arctic transport routes](#) during the Xi-Putin summit in May, as well as developing the necessary ship and construction technologies.

Another possible area of cooperation between China and Russia is in the exploitation of [natural resources](#) in the Arctic. Russia sits on significant deposits of oil and natural gas north of the Polar Circle. Vladimir Putin has formally stated a [strategic ambition](#) to use natural resources in the Arctic as a driver for Russia's economic development. Yet, Western sanctions since 2014 have cut it off from much of the technology needed to tap into these. This is where China can step in with investments and technology. The still-extreme weather conditions in the far north will be an important testing ground for China too. The race to develop technology for such conditions is certainly on, as [Norway is also](#)

[contemplating mining](#) for minerals in its economic zone in the North Atlantic. Environmental concerns are significant, though, in both the Norwegian case and in the case of the Arctic.

Greenland

China has also sought to butter up Greenland, which is in a union with Denmark. Greenland holds large quantities of rare earth minerals and uranium, which are relatively unexploited. China has sought to gain concessions, in partnership with companies from other countries, to start such mining. This has [proven controversial](#) due to concerns for secure supply of the rare earth elements, and due to the projects' unpopularity in Greenland, where many fear the environmental impacts. The clash of interests has led to still unresolved [legal wranglings](#), with compensation claims of more than \$10 billion.

While China was actively pursuing mining concessions, it also sought to acquire control of a nearby disused Danish naval facility, Grønndal. While Denmark's government at first entertained the idea of selling, it soon [changed its mind](#) on the advice of its intelligence services. China also sought to become involved as financier and contractor on a project, labelled a '[Polar Silk Road](#)', to construct a series of airports. On this occasion Denmark, under [American pressure](#), stepped in to provide the \$600 million financing for the project.

The Americans have actively sought to contain China's Arctic activities. The US has itself been present in Greenland since the Second World War, and continues operating the [Pitufikk Space Base](#) (until 2023 Thule Air Base), which contains the northernmost US radar and early warning facility. Even if Greenland's strategic importance to the US was never in doubt, most were shocked in August 2019, when president Donald Trump [proposed that the US should buy Greenland](#) from Denmark; "essentially a large real estate deal". The idea was rejected out of hand, the Danish prime minister, Mette Frederiksen, calling the [discussion "absurd"](#), emphasising that Greenland is no-one's to sell. Her ["comments were nasty"](#), was the instant, and very Trumpian rebuke. Less controversially, a year later the [US instead opened a full-time consulate](#) in Nuuk, showing their continued concern over the country's strategic direction.

Conclusion

The Arctic region is thus one which will see increasing attention, also from non-Arctic states. Its economic potential is gradually being unlocked, and Chinese interest, although controversial in many quarters, is hardly surprising. In this sense, China has acted presciently in seeking to position itself. However, China has not been very successful at striking up many local partnerships. Effectively, Russia is their only real partner. In that sense, China may have achieved the opposite of what it wanted, by making other potential partners more wary than welcoming.

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