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# CHINA'S ARCTIC POLICY: ASSERTING LEADERSHIP ROLE IN INTERNATIONAL AFFAIRS

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In June 2017, China issued a document titled 'Vision for Maritime Cooperation under the Belt and Road Initiative' to build the 21<sup>st</sup> Century Maritime Silk Road. It states China's maritime strategy of deepening cooperation with countries along the maritime shipping routes. In fact, one of the three blue economic passages envisioned in the document is China-Europe blue economic passage via the Arctic Ocean.<sup>1</sup> Needless to say, the white paper on 'China's Arctic Policy' reiterates construction of this blue economic passage termed "Polar Silk Road".<sup>2</sup>

The work report delivered at the 19<sup>th</sup> Party Congress in October 2017 relates well with the white paper. The 19<sup>th</sup> Party Congress has paved the way for enshrinement of the Belt and Road Initiative in the Party constitution and Beijing is carrying forward the Initiative in the Arctic Region. According to the report, China has entered into a new era of moving closer to

"centre stage" and making "greater contributions" to mankind.<sup>3</sup> China thinks that it is standing tall, firm and strong.<sup>4</sup> In the new era, China promotes its Arctic policy as an endeavour to build a community with a shared future for mankind in the Arctic region. In other words, China is working towards global leadership role.

Since the 1990s, China has been working towards strengthening its influence in the Arctic region. In April 2012, the then Chinese Premier Wen Jiabao visited Iceland and Sweden. As China tried to enhance its influence in the Arctic Region, Iceland became the first European country to sign free trade agreement (FTA) with China.<sup>5</sup> Above all, China is looking for logistics hub in Iceland.<sup>6</sup> With Iceland's support, China became an observer of the Norway-based Arctic Council in 2013.<sup>7</sup> The Council comprises the US, Russia, Canada, Denmark, Finland, Norway, Sweden and Iceland. Around the same time, in

2013, Chinese commercial vessels began using the Northeast Passage to trade with Europe.<sup>8</sup> All these developments reflect China's growing ambitions in the region.

China's Arctic policy also requires technical advancement in the field. With regards to marine technology, China talks about polar technical equipment, deep sea exploration and Arctic oil and gas drilling and construction of new-type ice-breakers.<sup>9</sup> Russia is an Arctic State with the highest number of icebreakers including nuclear-powered ice-breakers. In this field, Beijing is engaged in cooperation with Ukraine, Finland and the Netherlands. Despite their strategic partnership, so far, Russia is not a major player in developing China's polar vessels. Without the ice-breakers, the Arctic shipping routes remain mostly inaccessible due to ice cover and China needs ice-breakers to make its Polar Silk Road a reality.

The country's first polar ice-breaker 'Xuelong' (meaning Snow Dragon) was built in Ukraine and it was put into service in 1994. Since 1999, China has organised a number of scientific expeditions in the Arctic. In December 2016, China launched the construction of its second ice-breaker named 'Xuelong-2' that is being jointly designed by China State Shipbuilding Corporation and Finland's Aker Arctic Technology.<sup>10</sup> Moreover, for the first time, a Chinese private company has announced plans to build an ice-breaker. Construction of ice-breaker

'Hadal X' by Dutch shipyard Damen Group will begin in 2018 and it will be owned and operated by Rainbowfish Ocean Technology.<sup>11</sup> In fact, Rainbowfish Ocean Technology is a Chinese company leading the research in deep sea technology to explore the hadal zones.<sup>12</sup>

The Arctic shipping routes are likely to become viable routes for trade between China and Europe in the future. At present, ice cover and territorial disputes still pose challenges to navigation.<sup>13</sup> Shorter distance, low fuel consumption and favourable logistics costs will make these routes the most economical trade routes. Thus, the freedom of navigation and development of Polar Silk Road are key issues of China's maritime strategy. Furthermore, Beijing is looking for new opportunities to engage in infrastructure construction for building the blue economic passage linking China and Europe via the Arctic Ocean.

China carries out bilateral consultations on Arctic affairs with all the Arctic States including the US and Russia. In 2012, China and Iceland signed the Framework Agreement on Arctic Cooperation—the first inter-governmental agreement between China and an Arctic State—on Arctic issues. Meanwhile, China's relationship with Nordic and Baltic countries has expanded over the years. In January 2018, parliamentary leaders from Finland, Sweden, Norway, Iceland, Estonia, Latvia and Lithuania visited China in a "new form of collective high-level exchanges".<sup>14</sup>

Such exchanges are indicative of China's interests in the Arctic and Baltic Sea regions.

China claims itself to be a responsible major country and a stakeholder to participate in the governance of the Arctic region. However, the same yardstick does not apply to the South of China Sea (SCS) where Beijing is engaged in territorial disputes with Southeast Asian countries. In 2017, while endorsing the framework of a Code of Conduct (COC) in the SCS, Beijing warned against 'interference from outside parties'.<sup>15</sup> It leaves the question of recognising the roles of stakeholders in the SCS unanswered. On the one hand, China claims itself as a "Near-Arctic State" to expand its influence and get foothold in the strategic shipping routes in the Arctic Ocean and exploit the rich natural resources.

In addition, Chinese naval activities around the fringes of the Arctic Ocean reflect Beijing's growing interests in the region. A Chinese naval fleet visited Denmark, Finland and Sweden in 2015.<sup>16</sup> For the first time, China and Russia held joint naval drill in the Baltic Sea in July 2017. Also, the Chinese Navy visited Denmark, Finland and Latvia in 2017. Again, a Chinese fleet passed through the Bering Sea and transited the Aleutian Islands in September 2015 after joint drills with the Russian Navy.<sup>17</sup>

China is looking for a firm foothold in the Arctic region. The reasons are shipping routes, mineral resources, fishery, scientific research

and participation in the Arctic governance. The 21<sup>st</sup> Century Maritime Silk Road is simultaneously evolving with ambition for a maritime power as Beijing works towards building its armed forces into world-class armed forces by 2050. China may try to build its leverage in the Arctic region to counterbalance the US' activities in the SCS. In short, China's Arctic Policy is an attempt to assert China's leadership role in the international affairs.

In this context, it is pertinent to examine India's strategic goal and policy in the Arctic region. India was granted observer status in 2013 along with China, Italy, Japan, Singapore and South Korea in the Arctic Council. The "Act East" policy of India can be linked with India's Arctic policy. Under this strategy, India can enhance engagement with the US, Japan, South Korea and Russia to extend its strategic influence in the Arctic region. In this direction, India's indigenously developed Polar Remotely Operated Vehicle (PROVe) is a major development. More importantly, indigenous development and procurement of Polar Research Vehicle to expand scientific research and explorations would pave the way for enhancing India's influence in the Polar Regions.

*(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS])*

## Notes

<sup>1</sup> Vision for Maritime Cooperation under the Belt and Road Initiative, *Xinhua*, June 20, 2017, [http://www.xinhuanet.com/english/2017-06/20/c\\_136380414.htm](http://www.xinhuanet.com/english/2017-06/20/c_136380414.htm), Accessed on January 28, 2018.

<sup>2</sup> China's Arctic Policy, January 26, 2018, [http://www.fmprc.gov.cn/mfa\\_eng/wjdt\\_665385/wjzcs/t1529332.shtml](http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/wjzcs/t1529332.shtml), Accessed on January 29, 2018.

<sup>3</sup> "Full text of Xi Jinping's report at 19<sup>th</sup> CPC National Congress," *China Daily*, November 4, 2017, [http://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content\\_34115212.htm](http://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm), Accessed on January 29, 2018.

<sup>4</sup> Ibid.

<sup>5</sup> David Jolly, "Iceland and China enter a Free Trade Agreement," *New York Times*, April 15, 2013, <http://www.nytimes.com/2013/04/16/business/global/16iht-iceland16.html>, Accessed on January 29, 2018.

<sup>6</sup> Arthur Guschin, "China, Iceland and the Arctic," *The Diplomat*, May 20, 2015, <https://thediplomat.com/2015/05/china-iceland-and-the-arctic/>, Accessed on January 29, 2018.

<sup>7</sup> Romaln Warnault, "China, Iceland and the Arctic Council," *International Policy Digest*, May 21, 2013, <https://intpolicydigest.org/2013/05/21/china-iceland-and-the-arctic-council/>, Accessed on January 30, 2018.

<sup>8</sup> "Northeast Passage to create 'Silk Road on Ice,'" *People's Daily*, September 19, 2017, <http://en.people.cn/n3/2017/0919/c90000-9270918.html>.

<sup>9</sup> China's Arctic Policy, January 26, 2018, [http://www.fmprc.gov.cn/mfa\\_eng/wjdt\\_665385/wjzcs/t1529332.shtml](http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/wjzcs/t1529332.shtml), Accessed on January 29, 2018.

<sup>10</sup> Ma Chi, "China's first home-built icebreaker named Snow Dragon 2," *China Daily*, September 27, 2017, [http://www.chinadaily.com.cn/china/2017-09/27/content\\_32544019.htm](http://www.chinadaily.com.cn/china/2017-09/27/content_32544019.htm).

<sup>11</sup> Chinese company to build polar expedition icebreaker, *Xinhua*, June 15, 2017, [http://www.xinhuanet.com/english/2017-06/15/c\\_136368510.htm](http://www.xinhuanet.com/english/2017-06/15/c_136368510.htm).

<sup>12</sup> RainbowfishOcean Technology Co. Ltd, <http://www.rainbowfish11000.com/en/rainbowfish.html>, Accessed on January 28, 2018.

<sup>13</sup> Richard Milne, "Arctic shipping routes still a long-term proposition, says Maersk," *Financial Times*, October 6, 2013, <https://www.ft.com/content/f44bd53a-2e74-11e3-be22-00144feab7de>, Accessed on January 30, 2018.

<sup>14</sup> "China hopes for more exchanges with Nordic, Baltic countries," *The People's Daily*, January 11, 2018, <http://en.people.cn/n3/2018/0111/c90000-9314007.html>, Accessed on January 29, 2018.

<sup>15</sup> "China, ASEAN agree on framework for South China Sea code of conduct," *Reuters*, May 18, 2017, <https://www.reuters.com/article/us-southchinasea-china-philippines/china-asean-agree-on-framework-for-south-china-sea-code-of-conduct-idUSKCN18E1FS>, Accessed on January 30, 2018.

<sup>16</sup> Shannon Tiezzi, "China's Navy Makes First-Ever Tour of Europe's Arctic States," *The Diplomat*, October 2, 2015, <https://thediplomat.com/2015/10/chinas-navy-makes-first-ever-tour-of-europes-arctic-states/>, Accessed on January 29, 2018.

<sup>17</sup> Jeremy Page and Gordon Lubold, "Chinese Navy Ships Came Within 12 Nautical Miles of U.S. Coast," *The Wall Street Journal*, September 4, 2015, <https://www.wsj.com/articles/chinese-navy-ships-off-alaska-passed-through-u-s-territorial-waters-1441350488>, Accessed on January 29, 2018.