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China's Energy Strategy in the Arctic and the Implications for the U.S.

Key Points

- In recent decades, China has worked to establish a stronger presence in the Arctic. China believes it can use the Arctic's abundant supplies of oil and gas to achieve greater energy supply diversity.
- To realize this goal, China must wield sufficient authority within Arctic governance mechanisms, and maintain good relations with Arctic states. Yet, while China achieved permanent observer status on the Arctic Council in 2013, its long-term prospects in the region are uncertain.
- The Biden Administration and US allies on the Arctic Council accused China of establishing 'dual-use' Arctic projects, that are ostensibly civilian in nature, but also act as intelligence-gathering operations. The second Trump Administration has yet to withdraw this accusation, as of March 2025. As a result, Arctic states including Canada and Iceland have mounted successful campaigns to halt Chinese projects on their territory. If China cannot reverse the current U.S. narrative, it will have difficulty establishing a profitable presence in the Arctic.
- In theory, China could compensate for this loss of trust by strengthening Arctic ties with a Russia bereft of Arctic energy investors since the start of the Ukraine War. However, Chinese state-owned and private entities fear violating Western sanctions in Russia.
- Since at least early 2024, Chinese government documents have dropped the 'Polar Silk Road' terminology, hinting that China is unsure how to proceed in the region. China may choose to downplay its polar ambitions in the near future, as it attempts to stabilize the US-China relationship. However, there is no evidence that China has abandoned the region entirely.

Background

China's Arctic activity has increased substantially in recent years, for several reasons.

1. China views the Arctic as a potential source of untapped resources, including oil, gas, coal, and critical minerals, which could help diversify its energy supply chain¹.
2. China sees Arctic shipping lanes as a potential alternative to strategically precarious routes, such as the Strait of Malacca, that could potentially be cut off by a hostile power in the event of a military conflict².
3. China is concerned that extant Arctic governance institutions advance a notion of sovereignty in the Arctic that could disadvantage China, unless China takes a more active role in these institutions³.
4. China sees the Arctic as an ideal venue to conduct a variety of scientific research (most of which falls outside the scope of this memo)⁴. China is accused by the US and its allies of using Arctic projects to advance its military interests. The extent to which this accusation is true remains to be seen.

Chinese and Arctic Governance: China is concerned about being excluded from Arctic resource development by the Arctic Council members, as all of them have territory within the Arctic Circle, while China's northernmost territory is over 900 miles away⁵. This puts China in a difficult

¹ Yeh, N. (2023, April 25). China's Arctic ambitions and Russian ties stoke NATO fears. The China Project. <https://thechinaproject.com/2023/04/25/chinas-arctic-ambitions-and-russian-ties-stoke-nato-fears/>

² Powers-Riggs, M. P. F., Brian Hart, Joseph S. Bermudez Jr, Aidan. (2023, April 18). Frozen Frontiers: China's Great Power Ambitions in the Polar Regions. Features.csis.org; CSIS. <https://features.csis.org/hiddenreach/china-polar-research-facility/>

³ Doshi, R., Dale-Huang, A., & Zhang, G. (2021). Northern Expedition: China's Arctic Activities and Ambitions. Brookings. pp. 15-16 https://www.brookings.edu/wp-content/uploads/2021/04/FP_20210412_china_arctic.pdf

⁴ Ibid. pp. 1-2

⁵ Ng, A. (2021, May 20). Tensions will likely grow as China seeks bigger role in the Arctic. CNBC. <https://www.cnbc.com/2021/05/20/tensions-likely-to-grow-as-china-seeks-a-bigger-role-in-the-arctic.html>

legal and ethical bind. On the one hand, China wishes to advocate for principles of Arctic governance that ensure its legal right to Arctic energy, despite its lacking Arctic territory⁶. On the other hand, in the security sphere, China has consistently advocated for non-interference in other nations' sovereign territory. It would seem difficult for China to justify a claim to resources inside Russian territorial waters, for instance, without questioning the validity of Russian territory. To resolve this contradiction, China has termed itself a "near-Arctic state" since at least 2016⁷. By "near-Arctic state," China means that it is affected by climate change, and deserves to have a say in managing Arctic resources, since the Arctic is where some of the most severe and economically damaging effects of climate change will be felt⁸. Parallel to this, Chinese officials claim that some or most of the natural resources within the Arctic Circle are not the sovereign property of any one nation, but the "common heritage of all mankind"⁹.

China has made various efforts to formalize its role in Arctic governance. In 2009, China applied for observer status on the Arctic Council. Its application was rejected, in part because Arctic Council permanent members could not decide what role observer states should play on the council¹⁰. Of the Arctic Council permanent members, Russia was particularly wary of Chinese membership. Since Russia, in recent years, has worked to enhance its Arctic military infrastructure, it worries that a

⁶ Baker, R. (2019, September 5). A Warmer Arctic Makes for Hotter Geopolitics. Stratfor. <https://worldview.stratfor.com/article/warmer-arctic-makes-hotter-geopolitics-climate-change>

⁷ Liu, N. (2016, December 14). China's Emerging Arctic Policy. Thediplomat.com; The Diplomat. <https://thediplomat.com/2016/12/chinas-emerging-arctic-policy/>

⁸ Ibid.

⁹ Wishnick, E. (2017). China's Interests and Goals in the Arctic: Implications for the United States. Monographs, Collaborative Studies, & IRPs. https://press.armywarcollege.edu/monographs/295/?utm_source=press.armywarcollege.edu%2Fmonographs%2F295&utm_medium=PDF&utm_campaign=PDFCoverPages

¹⁰ Willis, M., & Depledge, D. (2014, September 22). How We Learned to Stop Worrying About China's Arctic Ambitions: Understanding China's Admission to the Arctic Council. The Arctic Institute. <https://www.thearcticinstitute.org/china-arctic-ambitions-arctic-council/>

Chinese presence in the vicinity could put sensitive military intelligence at risk¹¹. Nevertheless, the possibilities of Chinese funding for energy and infrastructure development in the Arctic proved tempting for Russia and many other Arctic Council member states, and China was granted permanent observer status in 2013¹². It is worth noting that China's treatment here is not exceptional. Several other countries without Arctic territory, including Japan, South Korea, and Singapore have been granted permanent observer status in the last decade¹³. Complementing its role on the Arctic Council, China also released its first Arctic White Paper in 2018¹⁴. Compared to earlier statements by Chinese diplomats, including Wang Yi, the Arctic White Paper was relatively restrained in its comments on sovereignty. It states that Arctic powers have an inherent right to the natural resources that fall within their territory, and that China wishes to cooperate in a mutually beneficial manner with Arctic states to develop their natural resources¹⁵.

China and Arctic Shipping Lanes: The extent to which China can import natural resources from the Arctic depends on the accessibility of Arctic shipping lanes. China is focused on three Arctic shipping lanes: the Northern (Northeastern), Northwest, and Transpolar Passages¹⁶. If China can utilize these routes at full capacity, it could reduce its dependence on strategic choke points like the Malacca Strait for transporting oil, gas, and other critical resources. At present, China uses Arctic shipping routes (primarily the Northeast Passage) to import limited quantities of LNG from Russia¹⁷. If

¹¹ Klimenko, E., & Sørensen, C. T. N. (2017). Emerging Chinese–Russian Cooperation in the Arctic. In SIPRI. SIPRI. pp. 1-2 <https://www.sipri.org/publications/2017/sipri-policy-papers/emerging-chinese-russian-cooperation-arctic>; Baker, 2019

¹² Zengerle, P. (2013, May 15). China granted observer seat on Arctic Council. Reuters. <https://jp.reuters.com/article/arctic-council/china-granted-observer-seat-on-arctic-council-idUKL6N0DW2ZT20130515>

¹³ List of Arctic Council Observers. (n.d.). Arctic Council. <https://arctic-council.org/about/observers/>

¹⁴ Full text: China's Arctic Policy. (2018, January 26). Wwww.gov.cn; Government of China. http://english.www.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.htm

¹⁵ Ibid.

¹⁶ Baker, 2019

¹⁷ China to enhance communication ability in Northeast Passage of Arctic - Global Times. (2019,

developments in geopolitics and infrastructure allow, however, it could also use Arctic routes to transport resources from North America and Europe more quickly than is possible via southern routes¹⁸. Substantial challenges prevent China from taking full advantage of these possibilities. Although the Arctic is warming rapidly, Arctic sea routes are still covered by ice for most of the year. Even during the summer, enough weather-related challenges remain that the voyage is highly treacherous and time-consuming for Chinese ships, despite the relatively short length¹⁹.

China's future use of Arctic shipping lanes will depend in part on the speed of Arctic warming. Climate scientists predict that by as soon as 2035, primary Arctic shipping lanes will be completely free of sea ice during the summer²⁰. While China is excited about the possibilities of more efficient shipping that could result, it is also concerned about the impact of rising sea levels and natural disasters that come with Arctic warming. Indeed, while LNG and oil are only briefly mentioned in China's 2018 Arctic White Paper, a large portion of the paper is focused on working with Arctic states through the Arctic Council and other multilateral channels to minimize the impact of climate change in the region²¹.

In the meantime, China will have to continue investing in ice breakers and land-based Arctic infrastructure, such as pipelines, if it wishes to have full access to the region. In 1993, China purchased the Xue Long ice breaker from Ukraine to commence greater Arctic exploration²². It completed a

September 3). Wwww.globaltimes.cn; Global Times. <https://www.globaltimes.cn/content/1163572.shtml>

¹⁸ Humpert, M. (2013, November 13). The Future of Arctic Shipping - A New Silk Road for China? The Arctic Institute - Center for Circumpolar Security Studies, pp. 10-15.

<https://www.thearcticinstitute.org/future-arctic-shipping-new-silk-road/>

¹⁹ Malte Humpert. (2012, October 11). The Future of Arctic... The Arctic Institute; The Arctic Institute - Center for Circumpolar Security Studies. <https://www.thearcticinstitute.org/future-arctic-shipping/>

²⁰ Jacobson, L. (2022, February 16). The Arctic could see ice-free summers by 2035, reshaping global shipping routes. CNBC. <https://www.cnbc.com/2022/02/16/arctic-summers-could-be-ice-free-by-2035-enabling-faster-shipping.html>

²¹ China's Arctic Policy, 2018

²² “雪龙”船简介. (2011, July 7). Web.archive.org; Chinese Government.

<https://web.archive.org/web/20110707041620/http://www.pric.gov.cn/bminfotmd.asp?bigid=26>

second Xue Long ice breaker in 2019²³. Though these two vessels are primarily used to conduct scientific research, future Chinese Arctic vessels currently in development may be able to help other types of vessels travel safely through the region, and rescue vessels in distress²⁴. Even without the aid of icebreakers, the People's Liberation Army Navy has in recent years used Arctic routes to conduct goodwill missions as far as Finland, and travelled within 12 nautical miles of Alaska's northern coastline²⁵. If China succeeds in building a larger fleet of nuclear-powered icebreakers, as Russia is currently doing, it will be able to conduct such missions more frequently. At present, however, the three Arctic shipping routes are still too treacherous to sustain even commercial oil and gas shipments at a level far exceeding current production capacities.

China intends to improve Arctic infrastructure, and make the region more accessible, by launching the Polar Silk Road. In its 2018 Arctic White Paper, China describes the Polar Silk Road as an endeavor parallel to “the Silk Road economic belt and the 21st century maritime Silk Road (Belt and Road Initiative)”²⁶. To this end, China encourages private companies and state-owned enterprises to partner with Arctic nations to develop sustainable Arctic infrastructure to enhance the feasibility of energy transportation, among other goals²⁷. In theory, the Polar Silk Road is meant to be a politically inclusive endeavor, with northern European countries encouraged to participate alongside Russia²⁸.

²³ China's first homegrown polar icebreaker to start its maiden voyage. (2019, October 15).

English.www.gov.cn; Chinese Government.

http://english.www.gov.cn/news/photos/201910/15/content_WS5da52189c6d0bcf8c4c15182.html

²⁴ 交通运输部关于部救助打捞局开展重型破冰救助船研究等交通强国建设试点工作的意见-政府信息公开-交通运输部. (2021, October 26). Xxgk.mot.gov.cn; Chinese Government.

https://xxgk.mot.gov.cn/2020/jigou/zhghs/202110/t20211026_3623048.html

²⁵ Lubold, G., & Page, J. (2015). Chinese Navy Ships Came Within 12 Nautical Miles of U.S. Coast. In The Wall Street Journal. <https://www.wsj.com/articles/chinese-navy-ships-off-alaska-passed-through-u-s-territorial-waters-1441350488>

²⁶ China's Arctic Policy, 2018

²⁷ Ibid; China Regional Snapshot: Arctic. (2022, October 25). House Committee on Foreign Affairs.

<https://foreignaffairs.house.gov/china-regional-snapshot-arctic/>

²⁸ China's Arctic Policy, 2018

China has floated the possibility of constructing new Arctic pipelines, and collaborating with international companies to drastically expand LNG infrastructure and oil drilling in the region²⁹. In practice, as I shall explain in a later section, geopolitical tensions, financial restrictions, and investor reluctance have caused the Polar Silk Road to fall short of expectations.

Chinese Energy Goals in the Arctic: According to Rodger Baker, natural resource competition remains a primary impetus for Chinese activity in the Arctic, alongside scientific and military prerogatives³⁰. The region possesses approximately one quarter of the world's untapped oil and gas reserves (not to mention critical minerals, rare earths, and other strategically significant resources)³¹. While the regions in which undiscovered oil and gas fields are most likely to be found are disproportionately clustered around the Russian Arctic coastline, Finland, Norway, Greenland, Canada, and the United States are also likely to possess vast untapped resources³². While Russia possesses over 40% of all land within the Arctic Circle, as well as over half the world's Arctic coastline, a large portion of the untapped resources in its vicinity are likely to lie so far off-coast as to fall outside of Russia's exclusive economic zone (EEZ). Perhaps for this reason, Russia has in recent years tried to gain international recognition for an extended continental shelf (ECS) within which it will have preferential access to critical resources³³. Going forward, issues of sovereignty are likely to compound the already monumental engineering feats that will be required to expand energy infrastructure in freezing waters and great depths. Depending on the future course of China-Russia relations, for example, China may be reluctant to approve of Russia's increased territorial reach in the Arctic.

²⁹ Ibid.

³⁰ Baker, R. (2019, September 5). A Warmer Arctic Makes for Hotter Geopolitics. Stratfor. <https://worldview.stratfor.com/article/warmer-arctic-makes-hotter-geopolitics-climate-change>

³¹ Ibid.

³² Ibid.

³³ Sevunts, L. (2019, April 19). Russia scores scientific point in quest for extended Arctic continental shelf. The Independent Barents Observer. <https://thebarentsobserver.com/en/arctic/2019/04/russia-scores-scientific-point-quest-extended-arctic-continental-shelf>

China is intent on importing Arctic oil and gas, in spite of geopolitical challenges. China's ambition is best exemplified by its involvement in the Russian Yamal LNG Project. The Yamal Peninsula and surrounding area contain some of the largest active Russian oil and gas fields. Likewise, the Yamal LNG project, which went fully active in 2021, can extract approximately 16.5 million tons of LNG per year³⁴. While the private Russian gas company Novatek is primarily responsible for the Yamal LNG project, Chinese companies have also invested heavily in the project³⁵. In 2013, Novatek and the Chinese National Petroleum company (CNPC) signed a contract that would give CNPC a 20% share in the Yamal LNG project³⁶. Cooperation proceeded even after Russia annexed Crimea in 2014. In 2015, Novatek and CNPC signed another deal to sell 9.9% of Yamal LNG to the Chinese Silk Road Fund. In exchange, Novatek received a loan to fund LNG development in the region for fifteen years³⁷. Later large-scale investments arrived from China Exim Bank and the China Development Bank³⁸. As a result, by 2017, China was providing 60% of the capital for the project. Additionally, 80% of the equipment used in Yamal LNG was produced in Chinese shipyards³⁹. Despite this progress however, China has been unable to replicate its Yamal LNG success throughout the rest of the Arctic. Other Chinese-funded oil and gas projects in the Arctic are much smaller in scale, or have been cancelled or delayed.

Chinese Arctic Aspirations and the 'Dual-Use' Accusation: Arctic Council countries are increasingly suspicious that China's interest in developing the Arctic is 'dual-use' in nature. According to the US, dual-use projects may appear civilian in nature, with a focus on energy trade or scientific research, while covering for Chinese military intelligence-gathering operations⁴⁰. As a result, China

³⁴ Klimenko & Sørensen, 2017, pp. 32

³⁵ Ibid. pp. 32

³⁶ Ibid. pp. 32

³⁷ Ibid. pp. 32

³⁸ Ibid. pp. 32

³⁹ Ibid. pp. 32-33

⁴⁰ The United States' National Strategy for the Arctic Region, 2022, pp. 6-7

faces challenges in securing additional development projects in the region. For instance, after signing a memorandum of understanding to bolster Arctic cooperation between Greenland and China, China attempted to purchase a maritime station formerly used by Danish Defence in Greenland, supposedly to be used for Arctic scientific research. Ultimately, the Danish government (and allegedly the US government) vetoed the project, due to concerns that China may try to develop the site for military purposes⁴¹. In a more prosaic example, a Chinese businessman with ties to China's propaganda apparatus attempted to buy a large plot of land in Iceland, to develop into a golf course (though the region in question is so cold, and the terrain so unstable, that golf cannot be played there). The Icelandic government, concerned that the golf project was a front for military operations, turned down the project on the basis that it is illegal for foreigners to purchase such large plots of land in Iceland. When the Chinese businessman attempted to obtain a special exemption to go forward with the project, he was rejected a second time by a growing group of skeptical Icelandic lawmakers. The businessman then responded by issuing a statement referring to Icelanders as "ill and weak," and later attempted unsuccessfully to carry out the same project in Norway⁴².

The dual-use accusations, whether or not they are true, are already impacting China's ability to diversify its Arctic energy projects. In one notable instance, China was denied permission by the Canadian government to help develop Canada's lucrative oil sands, a project that could have rivaled the Yamal LNG Project in size and strategic significance⁴³. Growing Western opposition to Chinese Arctic development put a stop to this possibility. Similarly, a large LNG-extraction project in Alaska was cancelled⁴⁴. Other Chinese-funded Arctic projects that were cancelled include uranium and rare

⁴¹ Sou-Jie Van Brunnersum (2022, October 22). China failed its Arctic ambitions in Greenland. Politico. <https://www.politico.eu/article/china-arctic-greenland-united-states/>

⁴² Higgins, A. (2013, March 23). Teeing Off at Edge of the Arctic? A Chinese Plan Baffles Iceland. The New York Times. <https://www.nytimes.com/2013/03/23/world/europe/iceland-baffled-by-chinese-plan-for-golf-resort.html>

⁴³ Doshi et al., 2021, pp. 21-23

⁴⁴ Lanteigne, M. (2022, August 29). *The Rise (and Fall?) of the Polar Silk Road*. Thediplomat.com.

earth mining sites in Greenland and an underwater Arctic communications conduit connecting Europe and Asia ⁴⁵. Since the 2018 Arctic White Paper, an increased number of American think tanks, including Brookings⁴⁶ and CSIS⁴⁷, have published detailed reports alleging Chinese dual-use Arctic development. In 2023, the Biden administration released an Arctic policy largely endorsing this line, as I shall later explain.

Current Situation

The Ukraine War and Shifting China-Russia Arctic Energy Cooperation When Russia occupied the Crimean Peninsula in 2014, China's Arctic strategy, still in the early stages of development, was plunged into great difficulties. Once the US and other Western countries began to sanction Russian energy companies, Chinese investors, whether they obtain their funding from the Chinese government or private companies, suddenly had to worry that they would be unable to proceed with their projects without violating international law. Thus, even in the successful case of the Yamal LNG project, Russian companies had to search for years before they could find willing Chinese investors⁴⁸. Even once investors were secured, numerous delays caused the project to start much later than originally anticipated⁴⁹. With the outbreak of the Ukraine War, the risk of investment has increased. Among American allies in the Indo-Pacific, there is an increasing consensus that Russian energy investment is not worth the risk. Japanese investors, for instance, in light of Japan's increasingly

<https://thediplomat.com/2022/08/the-rise-and-fall-of-the-polar-silk-road/>

⁴⁵ Ibid.

⁴⁶ Doshi et al., 2021

⁴⁷ Powers-Riggs, 2023

⁴⁸ Klimenko & Sørensen, 2017, pp. 32-33

⁴⁹ Ibid. pp. 32-33

proactive sanctions policy against Russia, have scaled back various plans to invest in Russian Arctic energy⁵⁰. Japanese think tanks have even proposed gradually phasing out LNG from Russia's Sakhalin 2 plant in favor of increased imports from Canada or Australia⁵¹. China, of course, has no plans to impose sanctions against Russia along the lines of those imposed by the US, unlike Japan. Nevertheless, since private Chinese companies were already reluctant to fund Russian Arctic projects after Russia's 2014 annexation of Crimea, it is possible that they will be reluctant to tolerate the risk of violating Western sanctions by investing in the region after Russia's 2022 invasion of Ukraine. However, data is at this point insufficient to say with certainty what effect the Ukraine War has had on Chinese investments in the Arctic.

China's Soft-Power Deficit in the Arctic: This places China in a very difficult position since, as previously mentioned, China faces increased skepticism from other Arctic powers as to the true purpose of its Arctic endeavors. Unless China can alter international perceptions of the Polar Silk Road, and replicate the success of the Yamal LNG project elsewhere in the Arctic, it will be effectively shut out of the region, especially if Western sanctions make Russian energy projects unsustainable. China is not unaware of its Arctic soft power deficit. At least since the publication the 2018 Arctic White Paper, China has modified the language it uses to explain its Arctic projects publicly. Domestically-oriented government statements and government-sponsored news broadcasts still decry the West's 'deliberate misunderstanding' of Chinese Arctic projects, claiming that they are part of a larger American-led campaign to hold back China from economically developing and achieving a greater say in international affairs⁵². On the other hand, China has softened the rhetoric it uses to describe its Arctic

⁵⁰ ロシア北極圏ガス開発、日仏が投資凍結 操業遅れも - 日本経済新聞. (2022, March 25).

Www.nikkei.com; Nihon Keizai Shinbun.

<https://www.nikkei.com/article/DGXZQOUA2541C0V20C22A3000000/>

⁵¹ 小山堅. (2022, October 12). 日本にとっての豪州・カナダとのエネルギー安全保障協力の重要性.

IEEJ; 一般財団法人 日本エネルギー経済研究所 (IEEJ). <https://eneken.ieej.or.jp/data/10570.pdf>

⁵² Hui, Z., & Hengyi, W. (2022, October 8). US' new Arctic strategy seeks to "militarize" region; intl rules needed for peaceful devt - Global Times. Www.globaltimes.cn; Global Times.

projects to international audiences⁵³. The White Paper and subsequent government statements describe the Arctic as a place for climate change cooperation between Western countries and China, while downplaying Chinese energy and security projects⁵⁴. This is consistent with China's willingness to collaborate with the US on climate change mitigation in other contexts.

It is evident that CCP leaders still regard the Polar Silk Road as a feasible project in the long run, since polar projects remain a topic of discussion during high-level meetings between Xi Jinping and leaders of Arctic states (especially Putin) as recently as 2023⁵⁵. However, it is unclear that China is succeeding in convincing other Arctic States to support the Polar Silk Road, considering China's recent actions regarding the Arctic Council. From 2021 to 2023, Russia served as Arctic Council chair⁵⁶. When every other permanent member of the council announced that it would suspend activities and refused to recognize any projects involving or initiated by Russia in its capacity as chair, China refrained from criticizing Russia⁵⁷. China has also stated that it would not recognize any multilateral Arctic governance body that didn't include Russia, regardless of structure or purpose, irritating other members of the council and deepening their skepticism regarding China's Arctic intentions⁵⁸.

Recent Developments Under the Biden and Trump Administrations: The Biden Administration's October 2022 Arctic strategy further complicated China's image in the Arctic. While the new US strategy did not identify China as an explicit threat in the Arctic, it stated more generally that the US would enhance its capacity to defend its territory and interests in the Arctic, with a focus

<https://www.globaltimes.cn/page/202210/1276695.shtml>

⁵³ Doshi et al., 2021, pp. 8

⁵⁴ China's Arctic Policy, 2018

⁵⁵ Goble, P. (2023, April 20). Rising Russian-Chinese Tensions Over NSR Could Spark Russian Military Clash With West. Jamestown. <https://jamestown.org/program/rising-russian-chinese-tensions-over-nsr-could-spark-russian-military-clash-with-west/>

⁵⁶ Russian Chairmanship 2021-2023. (n.d.). Arctic Council. Retrieved May 11, 2023, from <https://arctic-council.org/about/previous-chairmanships/russian-chairmanship-2/>

⁵⁷ Powers-Riggs, 2023

⁵⁸ Ibid.

on protecting US sovereign territory⁵⁹. Separately, it accused China of increased dual-use projects in the region, including those with “intelligence and military applications”⁶⁰. The White House's official statement upon release of the strategy was more direct, explicitly identifying China alongside Russia as increasing its efforts to “garner influence in the region”⁶¹. The White House also said that The United States must effectively compete and manage tensions in order to deter Chinese and Russian ambitions in the Arctic⁶². While China provided little response to the Biden Administration’s Arctic policy, nationalistic Chinese media outlets harshly denounced the US policy as contrary to principles of win-win cooperation, stating that the Arctic's resources are the common heritage of humanity and should not be used as pawns by powers like the United States⁶³.

In an attempt to reduce suspicions around its Arctic ambitions, and possibly acknowledging that its original plans for the Polar Silk Road are not viable given strong US opposition and the risk of sanctions violations, China has reshuffled its Arctic portfolio. Instead of ramping up investments in new LNG projects with Russia and other countries, it is focused more on scientific cooperation with members of the Arctic Council. Even these more modest ambitions, however, have met with US opposition. In October 2024, a US congressional committee flagged China’s Arctic science projects in Iceland and Norway as “problematic” and potentially serving Beijing’s military⁶⁴. There is some

⁵⁹ The United States’ National Strategy for the Arctic Region. (2022, October 7). The White House. pp. 7. <https://www.whitehouse.gov/briefing-room/statements-releases/2022/10/07/fact-sheet-the-united-states-national-strategy-for-the-arctic-region/>

⁶⁰ Ibid. pp. 6.

⁶¹ Holland, S. (2022, October 11). Biden’s new Arctic strategy foresees competition with Russia, China. Reuters. <https://www.reuters.com/world/bidens-new-arctic-strategy-foresees-competition-with-russia-china-2022-10-07/>

⁶² Ibid.

⁶³ Hui, Z., & Hengyi, W. (2022, October 8). US’ new Arctic strategy seeks to “militarize” region; intl rules needed for peaceful devt - Global Times. Wwww.globaltimes.cn; Global Times. <https://www.globaltimes.cn/page/202210/1276695.shtml>

⁶⁴ Sasakawa Peace Foundation. " Asia-Arctic cooperation and the next phase in Japan’s Arctic engagement." OPRI Newsletter, January 20, 2025 https://www.spf.org/opri/en/newsletter/587_1.html

evidence supporting these US claims. A 2025 RAND Corporation report suggests that several recent Chinese Arctic science projects, such as a satellite ground station or aurora observatory in Iceland, might also collect data useful for missile targeting or submarine communications⁶⁵. Reports are also surfacing of high-frequency radar installations, satellite tracking stations, and atmospheric observation experiments that might improve China's ability to detect submarines or guide long-range missiles. In one case, a Chinese academic project in Svalbard (using Norway's cutting-edge EISCAT radar for ionospheric research) was found to be replicating data for the PLA on over-the-horizon radar detection⁶⁶.

In its final months, Biden toughened the US line on adversaries' Arctic ventures⁶⁷. Just days before leaving office, the Biden administration imposed a new round of sanctions targeting Russia's Arctic oil and gas supply chain, including Chinese entities aiding those Russian projects. Specifically, the U.S. sanctioned China's Zhoushan Wison Shipyard and associated Chinese shipping companies that had illicitly helped deliver a massive modular power plant for Russia's Arctic LNG 2. This move, announced as part of a broader Russia sanctions package, was significant because it directly named a Chinese firm for Arctic-related sanctions evasion. It sent a message that Washington would go after not just Russia, but any third parties that facilitate sanctioned Arctic oil and gas projects.

⁶⁵ Pezard, Stephanie, Irina A. Chindea, Naoko Aoki, Dominique Lumpkin, and Yuliya Shokh. China's Economic, Scientific, and Information Activities in the Arctic: Benign Activities or Hidden Agenda? Santa Monica, CA: RAND Corporation, 2025.

https://www.rand.org/content/dam/rand/pubs/research_reports/RRA2800/RRA2823-1/RAND_RRA2823-1.pdf

⁶⁶ House Select Committee on the Chinese Communist Party. Letter to the Secretaries of State and Defense on Chinese Dual-Use Research in Iceland and Norway. Washington, D.C.: U.S. House of Representatives, October 16, 2024. https://selectcommitteeontheccp.house.gov/sites/evo-subsites/selectcommitteeontheccp.house.gov/files/evo-media-document/10.16.24_PRC

⁶⁷Humpert, Malte. "U.S. Sanctions Catch Up to Chinese Supplier Wison for Illicit Delivery of a Power Plant to Arctic LNG 2." High North News, January 13, 2025. <https://www.highnorthnews.com/en/us-sanctions-catch-chinese-supplier-wison-illicit-delivery-power-plant-arctic-lng-2#:~:text=Published%20at%3A%20Jan%2013%202025,11%3A17>

As of March 2025, the Trump administration has yet to formulate an explicit response to China's Arctic strategy. However, in line with the Heritage Foundation's Project 2025 agenda, the Trump administration is committed to dismantling what they call the 'climate change bureaucracy'⁶⁸. This is leading to curtailments and cancellations of US Arctic research campaigns, due to lack of funding and staff. For instance, the U.S. did not send a high-level delegation to the Arctic Science Ministerial in spring 2025⁶⁹. In the long-run, the vacuum created by the US withdrawal from Arctic projects could help China reassert its presence in the region and win over once-skeptical potential partners such as Canada. For the present, however, China is still sufficiently wary of sanctions violations that it is refraining from large-scale new energy investments à la the early days of the Polar Silk Road.

In the long term, these changes in US Arctic policy will further complicate China's energy ambitions in the Arctic. If states such as Canada, Greenland, or Norway, for instance, decide to seek Chinese investments for new oil, gas, or renewable energy projects, these countries might be seen as explicitly departing from US Arctic strategy. It will be difficult for China to convince these countries that such moves would be worth the diplomatic risk. Therefore, it cannot be said that China has resolved the major tensions in its Arctic energy strategy.

Conclusion

China's Polar Silk Road faces great difficulties. On the one hand, it aims to build infrastructure that can transform the Arctic into an energy hub capable of satisfying China's long-term goal of greater energy supply diversity. Beyond this, the Polar Silk Road aims to expand China's Arctic energy projects to renewable energy sources such as geothermal and wind, helping to combat global warming

⁶⁸ Dans, Paul, and Steven Groves, eds. *Mandate for Leadership 2025: The Conservative Promise*. Washington, DC: The Heritage Foundation, 2023. pp. 59-60

⁶⁹ Hansen, Birgitte Annie. "The US Steps Back From Arctic Science, Paves Way for China." *High North News*, March 7, 2025. <https://www.highnorthnews.com/en/tag/arctic-science>

in the process⁷⁰. On the other hand, China is seen by the majority of Arctic Council permanent member states as posing a risk to their sovereignty in the Arctic, and potentially even capturing sensitive military intelligence from them. This leaves China mostly confined to collaboration with Russia, in the Arctic. However, despite CCP encouragement, Chinese investors have been reluctant to collaborate with Russia in the Arctic for fear of violating Western sanctions, since 2014. Additionally, Russian fears that China will violate its Arctic sovereignty⁷¹, while temporarily suppressed due to the Ukraine War, have not completely evaporated. In short, China is effectively unable to advance its Arctic interests, either with Russia or the NATO Arctic Council permanent members. China may be unable to resolve this dilemma, so long as the Ukraine War continues, and the US and China remain reluctant to collaborate, even on mutually-beneficial areas such as climate change prevention.

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⁷⁰ China's Arctic Policy, 2018

⁷¹ Greenwood, J., & Luo, S. (2022, April 4). Could the Arctic Be a Wedge Between Russia and China? War on the Rocks. <https://warontherocks.com/2022/04/could-the-arctic-be-a-wedge-between-russia-and-china/>

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