China's Expansion into the Arctic

Why in news?

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In a recently released white paper, China announced that it would develop a Polar Silk Road (PSR).

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What is the development in the Arctic region?

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- **Climate Change** - The unintended consequences of climate change are contributing to the transition of the arctic region.
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- Rising temperatures are melting some of the thick sheets of ice of the Arctic Ocean.
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- This is exposing and making usable, some of the hitherto blocked up potential.
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- **Navigation** - That, in turn, is opening channels through which ice-breaking ships can pass.
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- Once it becomes navigable, commercial ships will be able to move through the Arctic, opening shorter shipping routes.
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- The ‘northeast passage’ of the region will open up towards Europe.
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- The ‘northwest passage’ will head towards the U.S. and Canada.
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- **Resources** - It is estimated that beneath the layers of ice, highly prized reservoirs of minerals exist.
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- The Arctic is said to possess 30% of the world’s undiscovered natural gas and 13% of its undiscovered oil reserves.
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What is China looking for?

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- **Exploration** - China’s 360-degree hunt for resources and new trade routes is taking new turns.
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- The new development in the Arctic is reinforcing China's interests in the region.
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- China’s obsession with becoming a leading, and advanced, industrial heavyweight is increasingly driving Beijing towards the Arctic.
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- It has become unrelenting and undeterred by obstacles posed by geography, politics or technology.
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- **Projects** - The **Polar Silk Road** (PSR) and Belt and Road Initiative (BRI) initiatives aim at industrialising Eurasia.
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- This is aimed through massive infrastructural development and network of trans-continental connectivity.
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- China is also focusing on **cyber-connectivity.**
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- This is displayed by its embrace of the **digital economy**, demonstrated by the rise of the global e-commerce giant Alibaba, or Wechat.
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- Talks are on in Chinese government to build a 10,500 km **fibre-optic undersea link** across the Arctic Circle.
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- The enterprise, called the **Northeast Passage Cable Project**, will provide China a new high-speed digital traffic link.
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- The proposal also involves Finland, Japan, Russia and Norway as partners in this undertaking.

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- China will get increasingly connected with European financial and data hubs.
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- **Long term Planning** - Beijing’s forays in the Arctic are a result of its long-term planning for deeper engagement with the Arctic.
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- China has invested in Iceland following the 2008 financial crisis.
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- Eight years later, Chinese company Shenghe Resources purchased 12.5% of Greenland Minerals and Energy.
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- China has also signalled its interest in two Iceland ports, as well as Norway’s Arctic Kirkenes port.
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What is Russia’s role in this regard?

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- Among its littoral countries, Russia claims the largest slice of the Arctic Ocean.
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- Coupled with its massive mineral reserves in Siberia, Russia is fast becoming China’s chief natural-resource ally.
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- Russia is thus seen as a key to China’s success in the Arctic.
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- The state-owned China Development Bank is set to invest in the Russian energy company Novatek.
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- Novatek is heading the Arctic LNG II project.
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- The deal would provide China access to the Arctic’s liquefied natural gas.
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- Significantly, the agreement would open up areas within Russia’s Exclusive Economic Zone in the Arctic where the Chinese can carry out explorations.
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Source: The Hindu

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