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# The Arctic in Russia-China Relations: Opportunities and Challenges

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## ABSTRACT

*In 2018, Russian President Vladimir Putin hailed the Sino-Russian relationship as having reached its strongest level in history. This article explores the evolving dynamics of Sino-Russian cooperation in the Arctic against the backdrop of accelerating climate change and geopolitical shifts. It delves into the strategic interests of both countries, emphasizing Russia's reliance on China amid Western sanctions and China's pursuit of Arctic resources and strategic positioning. Despite divergences in governance approaches, differing interpretations of international law, and concerns over sovereignty, both nations recognize the mutual benefits of cooperation, particularly in infrastructure development and maritime transportation along the Northern Sea Route. This partnership underscores a delicate balance between mutual reliance and strategic considerations, influencing regional stability and global geopolitics.*

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In 2018, Russian President Vladimir Putin hailed the Sino-Russian relationship as having reached its strongest level in history. Despite rising asymmetries between the two countries, Beijing has emerged as Moscow's key external partner. Concurrently,

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their strategic partnership is seen as a challenge by the West. Yet, how does this burgeoning partnership fare in the Arctic, as accelerating climate change brings the region into renewed focus and increased competition, even between close partners?

### THE ARCTIC IN THE NATIONAL POLITICS OF RUSSIA

In 2020, Russia released its latest version of the *Basic Principles of Russian Federation State Policy in the Arctic* for the period up to 2035.<sup>1</sup> This strategic planning document sets the main goals and tasks of Russian policy in the Arctic while also listing challenges to national security in the region. The latest edition of the document puts ensuring sovereignty and territorial integrity at the top of the list of primary national interests. Other interests include maintaining peace and stability, using their strategic resource base sustainably for economic growth, developing the Northern Sea Route (NSR) as a “competitive national transportation passage,” and preserving the environment. The primary threats are identified as relating to domestic issues, including population decline, insufficient economic and infrastructure development, and a lack of state support for businesses, among others.

The primary challenges to national security are viewed as being external in origin, due to what Russia calls attempts by foreign states to revise international treaties that regulate Arctic activities or hinder Russia’s legal actions in the region. Military build-up by other states is also viewed as a challenge that leads to an increased possibility of conflict.<sup>2</sup> The *Strategy for Developing the Arctic and Preserving National Security*<sup>3</sup> also enumerates the key challenges and threats that pose a risk to development in the Arctic, and the efforts to ensure national security. In the list of eighteen issues, the last item refers to the increased potential for conflict requiring improved combat capabilities of Russian forces. Some of the other issues are related to topics of climate change, socioeconomic development, and the availability of infrastructure.

Broadly, the policy documents released in 2020 did not contain any surprise elements. While they did flag issues of sovereignty as the top national interest,<sup>4</sup> they also called for cooperating with other Arctic states<sup>5</sup> and maintaining a zone of peace. Russia is deeply aware of the socioeconomic challenges that confront its territories in the Arctic, and the policy documents note the shortfall of infrastructure as both an “economic and security concern” amidst accelerating climate change.<sup>6</sup> The Arctic also remains an important region militarily and is critical for Russia’s nuclear deterrence capabilities. This entails maintaining defense capacities, which

were neglected after the end of the Cold War and were sought to be remedied through military modernization plans after 2008. While noting that the level of activity remains far below Cold War levels,<sup>7</sup> military activity in the region has undeniably been increasing,<sup>8</sup> with some of the developing infrastructure being dual-use.<sup>9</sup>

Notably, more recent official documents contain some visible changes and shifts in tone. The *Maritime Doctrine of the Russian Federation*,<sup>10</sup> published in July 2022, puts the Arctic Regional Priority Area at the top of the regional priorities of the national maritime policy. This change is a significant shift from the 2015 version, which led with the Atlantic Regional Priority Area, followed by the Arctic. In the latest iteration, the priorities in the region are more expansive and include reinforcing the combat capabilities of its forces, integrating the development of port and coastal infrastructure, and building the NSR as a globally competitive national transportation route. It also calls for establishing working cooperation with the other Arctic littoral states (Canada, Denmark, Norway, and the United States) on delimiting maritime areas. The foreign policy concept strongly asserts the “unalterability of the historically established international legal regime of the inland maritime waters of the Russian Federation”<sup>11</sup> (mirroring the language of the 2022 Maritime Doctrine), but this position was already visible in the new and amended federal laws on rules of navigation in the NSR,<sup>12</sup> and would not come as a surprise. The aim is to make the NSR an international transportation route wherein Russian federal rules are followed by foreign vessels for navigation.

In February 2023, amendments were introduced to the document containing the Foundation of State Policy in the Arctic, which removed the parts of the section that called for building relations with Arctic states as well as regional bodies like the Arctic Council, the Arctic Five, and the Barents Euro-Arctic Council.<sup>13</sup> The 2023 foreign policy concept has also eliminated references to “cooperation in the Arctic Council, the coastal Arctic Five, and the Barents Euro-Arctic Council,” marking a clear shift compared to the 2016 document. Instead, it now focuses on building relations with Arctic “foreign” states, mirroring the language of the foreign policy concept that calls for building ties with non-Arctic, friendly states. Ministerial-level

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This readiness to engage with a "wider range" of partners,<sup>14</sup> even if they are "extra-regional,"<sup>15</sup> has been reflected in responses from states like China, which has emerged as one of the most interested "non-Arctic states," even declaring itself a "near-Arctic state" in its white paper titled *China's Arctic Policy* in 2018.<sup>16</sup> In the white paper, China presents itself as an "important stakeholder" affected by changes in the Arctic's climate and ecology, and

justifies its reasons for becoming a more active player. Seeking to dispel concerns about its intentions, China presented its policy as being focused on scientific research, addressing environmental and climate change issues, and utilizing Arctic resources in a "lawful and rational way" (including participating in the development of shipping routes and exploration of natural resources), participating in Arctic governance, and promoting peace and stability. China recognizes the sovereignty of Arctic states and has sought to build bilateral relations with them through cooperative scientific research, diplomatic ties, and investment offers. Beijing was focused on scientific research activities for a long time,<sup>17</sup> but its rising diplomatic and economic profile, as well as strengthening maritime power has raised concerns among the Arctic states. Beijing has sought to allay these concerns through the white paper<sup>18</sup> by presenting itself as non-aggressive.<sup>19</sup>

#### EVOLUTION OF BILATERAL COOPERATION IN THE ARCTIC

With China and Russia both seeking to advance their interests in the Arctic, their bilateral cooperation has evolved and increased in recent years. The two sides have been holding dialogues on Arctic issues since 2013, which was also the first year when two containers of goods from the China Ocean Shipping Company (COSCO) traveled from Dalian, China to Rotterdam, the Netherlands via the NSR. Arctic cooperation in areas such as the NSR, scientific research, energy resources, and the environment has

also been explicitly mentioned in joint statements.<sup>20</sup> Furthermore, Russia has announced its intention to increase exports of oil and gas eastwards, including through the NSR, now more accessible for longer periods in a year due to receding ice cover induced by climate change.<sup>21</sup>

In fact, two areas of natural resource extraction and connectivity have shown a positive trend in Sino-Russian engagement, in the case of the Arctic.<sup>22</sup> In 2013, the China National Petroleum Corporation (CNPC) acquired a 20 percent stake in Yamal Liquefied Natural Gas (LNG), followed by a 9.9 percent equity stake by China's Silk Road Fund in 2016. In 2018, Novatek supplied LNG from the Yamal fields to China via the NSR for the first time. Cooperation in the energy sector intensified on the heels of Western sanctions on Russia, first introduced after its 2014 annexation of Crimea.<sup>23</sup> Until then, most of the investment in—and technology used for—Arctic oil and gas projects originated in the West. With those investments drying up, Russia turned to the East for both capital and technology, opening up opportunities for China in areas where Moscow might previously have been reluctant to cooperate with Beijing.<sup>24</sup> The Arctic LNG-2 project also saw Chinese companies acquire 20 percent equity stakes—10 percent each held by CNPC and the China National Offshore Oil Corporation—in 2019. The first of the three LNG trains, as a part of this project, began tentative production in early 2024.<sup>25</sup>

Chinese companies are also engaged in building infrastructure at the Kamchatka LNG transshipment hub to prepare for anchorage in Bechevinskaya Bay.<sup>26</sup> Russian officials have further indicated their desire to engage with partners like India and China for the construction of ice-class vessels to traverse the NSR (with a goal of fifty vessels by 2035), given the existing fleet is not large enough to handle future increases in shipping volumes.<sup>27</sup> This is in marked contrast to a couple of years ago when the Russian Ministry of Industry and Trade opposed the inclusion of China in icebreaker construction since the two sides competed in the Arctic.<sup>28</sup> Interestingly, Chinese company Hudong-Zhonghua did not become the preferred partner for building fifteen Arc7 ice-class vessels for the Arctic LNG-2 project in 2020.<sup>29</sup> Instead, a South Korean partner was chosen.<sup>30</sup> However, the tightening of sanctions on Russia has led to concerns about future cooperation with Japan and South Korea, previously seen as important partners in ensuring a diversified source of investment and technology.<sup>31</sup> Consequently, China's value as a prospective partner has increased. While China has been expanding its shipbuilding capacities and has funds for this specific purpose, its expertise in providing technology and equipment in offshore exploration remains limited. It has also been

suggested that Beijing can be a partner in select areas, including “deep sea exploration, ice zone prospecting, oil and gas exploitation, navigation in ice zones, engineering of icebreakers,”<sup>32</sup> among other domains.

Connected to natural resource exploitation is the development of the NSR, where Putin, during talks with visiting President Xi Jinping, in March 2023, declared that Russia was ready for joint development of the NSR with China,<sup>33</sup> a prospect that would have been hard to imagine just a few years ago. Although Russia has been willing to find partners

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..... in the development of the NSR, it has stated in no uncertain terms that these are internal waters. However, a memorandum of understanding on strengthening maritime law enforcement cooperation was signed, and a delegation was invited to observe the Arctic Patrol 2023 exercise for the first time.<sup>34</sup>

..... While Chinese vessels currently utilize the NSR minimally, constituting only 1.2 percent of all voyages on the route,<sup>35</sup> most traffic on the route involves destination shipping by Russian ships transporting oil, gas, and construction material.<sup>36</sup> However, a future year-long navigable route could offer China significant benefits by shortening voyages to Europe by twelve to fifteen days and, avoiding sea lines of communication that could be blocked via the western route. There are also expectations that the NSR’s growth could provide opportunities for the expansion of the ports of Qingdao and Dalian in Northeast China.<sup>37</sup>

Overall, until now, cooperation between Russia and China has been grounded in pragmatism. Moscow has sought to build a diversified portfolio of investors in Arctic projects while retaining its ownership stake to prevent dominance by a single outside actor, a policy that is now under stress. Meanwhile, China has also been focused on diversifying its ties with most Arctic states while being selective in investing in Russian projects. Sino-Russian military engagement in the Arctic remains limited, and the two countries have never conducted joint military exercises in the region.<sup>38</sup>

#### DIVERGENCES IN SINO-RUSSIAN ENGAGEMENT IN THE ARCTIC

Russia is insistent on the rights of the eight members of the Arctic Council to make rules governing the region and has pushed against granting extra-regional powers any say in rule-making. It was resistant to



China's entry into the Arctic Council as an observer<sup>39</sup> and finally agreed to China's inclusion only after strict criteria were laid down for observer states. According to these criteria, observers do not get a vote and do not participate in rulemaking.<sup>40</sup> Experts have also pointed out that China would rather acquire a stake in the management of infrastructure projects it invests in, including the NSR, which is not in line with Moscow's preferences.<sup>41</sup>

Before being inducted as an observer state, China also had to recognize the sovereignty of Arctic states over the region.<sup>42</sup> In addition, its compliance with Russian domestic legislation is also seen as an acknowledgment of Russia's claims of dominance in the NSR.<sup>43</sup> Nevertheless, some policy divergences persist between the two countries. China's white paper calls for the management of Arctic shipping routes to be done as per the United Nations Convention on Law of the Sea (UNCLOS) and has urged that freedom of navigation be ensured per the convention. Conversely, Russia regards the NSR as internal waters and has enacted regulations for the navigation of foreign vessels.<sup>44</sup> Russia relies on the historical precedent of treating the NSR as a national transport waterway<sup>45</sup> and the rights of coastal states in "ice-covered areas" under UNCLOS Article 234, to control the movement of foreign ships through the NSR. Article 234 offers special rights for the control of marine pollution to coastal states in ice-covered areas within their Exclusive Economic Zones (EEZs).<sup>46</sup>

So far, China has not challenged Russian laws and has complied with its regulations.<sup>47</sup> Cooperation over the NSR could be seen as support for Moscow's control over the connective link.<sup>48</sup> In addition, China's vision of a Polar Silk Road traversing international waters is unlikely in the short-to-medium term given the ice cover, highlighting the value of the NSR. However, as the ice retreats and erodes the exclusivity offered by UNCLOS Article 234, questions will arise about the applicability of the current legislation.<sup>49</sup> China has limited opportunity to shape rulemaking in the region as a non-Arctic state but seeks to utilize the opportunities before it. This was reflected in the formation of the Polar Code, in which China sided with the United States to remove a clause—proposed by Russia—in the draft that "would retain the primacy of national shipping regulations until the International Maritime Organization (IMO) could adopt a fully harmonized framework."<sup>50 51</sup>

This element of simultaneous competition and cooperation is also reflected in Chinese financing in the Arctic, which mirrors Russia's careful maintenance of a diversified portfolio of investors. China adopts a more conservative attitude in investing in projects where there is limited possibility of Russia sharing control over the assets, including offshore projects

that require extensive capital.<sup>52</sup> Thus far, major Chinese investments in the region have been mostly limited to the two LNG projects. Its participation in other infrastructure projects has also been limited so far, with concerns ranging from secondary sanctions<sup>53</sup> to a lack of Chinese technological expertise.

#### ANALYZING THE STRATEGIC PARTNERSHIP

As of now, both sides have focused on the benefits of their cooperation, effectively preventing the aforementioned divergences from overshadowing bilateral gains. China wishes to maintain stability in its relations

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with Russia amidst a deteriorating relationship with the United States,<sup>54</sup> to reap the economic benefits of Arctic resources, and to present itself as a responsible partner in the region. In this regard, there is an acknowledgment of the value of cooperating with Russia to strengthen its presence in the region. China also requires Russian icebreakers to traverse the NSR. As such, China recognizes the importance of the route but has maintained a wait-and-watch approach,<sup>55</sup> with a limited number of Chinese ships traversing the route.<sup>56</sup>

For its part, Russia has seen the importance of China grow due to sanctions and the breakdown of relations with the West resulting from its 2014 annexation of Crimea and the 2022 invasion of Ukraine. This changing dynamic complicates Russia's goal of diversifying its investment sources, resulting in increased flexibility in its engagement with Beijing as it tries to maintain the preeminence of littoral states. Moscow also recognizes its dependence on China in developing Arctic resources and making the NSR profitable, leading to increased economic engagement while seeking to retain sovereign control over the route.

Russia experts have also argued that the Arctic is much more of a "strategic priority"<sup>57</sup> for Russia than for China. The Arctic houses Russia's strategic nuclear forces and remains vital for its energy industry, accounting for 80 percent of its natural gas production and 17 percent of its oil production.<sup>58</sup> Thus far, China has not displayed a revisionist attitude toward the Arctic,<sup>59</sup> despite some differences over governance in the region. It instead uses bilateral and multilateral mechanisms and discussions to build its posi-



tion as an important stakeholder. Russia, too, is seeking to strike a balance between building improved ties with Beijing and protecting its national interests in the region.<sup>60</sup> In this regard, military cooperation between the two sides in the Arctic is not expected to be at the forefront given Russia's continued sensitivity to exercising control in the region. However, the evolving geopolitics of the region has meant that Russia has gradually become more willing to cooperate with China in the Arctic. Given heightened tensions with the West for both parties, the logic of strengthening the overall strategic partnership also holds in the context of the Arctic. In this scenario, building mutually beneficial cooperation in the Arctic without allowing differences to overshadow coordination serves both Russian and Chinese interests.

## CONCLUSION

There is no denying that after 2022, the importance of China in Russia's overall foreign policy strategy, as well as in the Arctic, has risen significantly. This dynamic will be even more apparent if East Asian countries like Japan and South Korea withdraw from various industrial projects under the threat of sanctions or choose to freeze future cooperation with Russia. Such actions would deal a further blow to Russia's planned diversification of investors in the Arctic but would alternatively give China an advantage. Yet China, with no territorial jurisdiction in the region, also needs Russia in order to benefit from the natural resource exploitation enabled by the NSR and to keep the door open for future geopolitical moves.

China and Russia's mutual dependence has led to cooperation despite differences, as the value of the strategic partnership for both sides remains high. As China's role in the partnership expands, it may want a more active role in the Arctic future. For now, Sino-Russian cooperation in the Arctic proceeds on a pragmatic basis, maximizing benefits while maintaining caution on areas of divergence. *f*

## ENDNOTES

- 1 See The Kremlin, "Об Основах государственной политики Российской Федерации в Арктике на период до 2035 года (Basic Principles of the Russian Federation State Policy in the Arctic for the Period up to 2035)," March 5, 2020, <http://www.kremlin.ru/acts/bank/45255/page/1>.
- 2 The "goals" of the country once again remained more heavily focused on economic development, protecting the environment, peaceful settlement of disputes through international law, and preserving national interests, especially in the economic sphere.

- 3 See Security Council of Russian Federation, “Стратегия развития Арктической зоны Российской Федерации и обеспечения национальной безопасности на период до 2035 года (Strategy for Development of the Arctic Zone of the Russian Federation and Provision of National Security for the Period up to 2035),” October 26, 2020, <http://www.scrf.gov.ru/media/files/file/hcTiEHnCdn6TqR-m5A677n5iE3yXLi93E.pdf>.
- 4 Elizabeth Buchanan, *Red Arctic: Russian Strategy under Putin* (Washington D.C.: Brookings Institution Press, 2023), 65.
- 5 Ian Anthony et al., “A strategic triangle in the Arctic: Implications of China–Russia–United States power dynamics for regional security,” *SIPRI*, (March 2021): 4.
- 6 Andrey Gubin, “Military Aspects of Russia’s Stance in the Arctic,” *RIAC*, September 23, 2022, <https://russiancouncil.ru/en/analytics-and-comments/analytics/military-aspects-of-russia-s-stance-in-the-arctic/>.
- 7 See Alexander Sergunin and Valery Konyshchev, “Russian Military Activities in the Arctic: Myths & Realities,” in Lassi Heininen, Heather Exner-Pirot and Joël Plouffe, eds., *Arctic Yearbook 2015* (Iceland: Northern Research Forum, 2015), 404-407.
- 8 Anthony et al., “A strategic triangle in the Arctic”: 12-13.
- 9 Alexander Sergunin et al., “Russian military strategies in the Arctic: change or continuity,” *European Security* 26, no. 2 (April 2017): 180.
- 10 “Maritime Doctrine of the Russian Federation,” *Russian Maritime Studies Institute*, 31 July, 2022, [https://dnnlglwick.blob.core.windows.net/portals/0/NWCDepartments/Russia%20Maritime%20Studies%20Institute/20220731\\_ENG\\_RUS\\_Maritime\\_Doctrine\\_FINALtxt.pdf?sv=2017-04-17&sr=b&si=DNNFileManagerPolicy&sig=2zUFSaTUSPcOpQDBk%2FuCtVnb%2FDoy06Cbh0EI5tGpl2Y%3D](https://dnnlglwick.blob.core.windows.net/portals/0/NWCDepartments/Russia%20Maritime%20Studies%20Institute/20220731_ENG_RUS_Maritime_Doctrine_FINALtxt.pdf?sv=2017-04-17&sr=b&si=DNNFileManagerPolicy&sig=2zUFSaTUSPcOpQDBk%2FuCtVnb%2FDoy06Cbh0EI5tGpl2Y%3D).
- 11 The Russian Ministry of Foreign Affairs, *The Concept of the Foreign Policy of the Russian Federation*, March 31, 2023, [https://mid.ru/en/foreign\\_policy/fundamental\\_documents/1860586/](https://mid.ru/en/foreign_policy/fundamental_documents/1860586/).
- 12 The 1990 Rules of Navigation on the Lines of the NSR were replaced by the 2013 Rules of Navigation. Other federal laws related to the NSR have also been amended or new ones introduced in 2012 and 2018. Under the various provisions, foreign commercial vessels must not only secure permission to traverse the NSR but also enumerate requirements for icebreaking, access to areas of the NSR, and pilotage, among others.
- 13 See The Kremlin, “О внесении изменений в Основы государственной политики Российской Федерации в Арктике на период до 2035 года (On amendments to the Fundamentals of State Policy of the Russian Federation in the Arctic for the period until 2035),” February 21, 2023, <http://static.kremlin.ru/media/events/files/ru/3orBqURfYt6AAPZo7B3ES2A3Tq3O2WfN.pdf>.
- 14 Liudmila Filippova, “China’s New Role in the Arctic,” *Valdai Discussion Club*, May 31, 2023, <https://valdaiclub.com/a/highlights/china-s-new-role-in-the-arctic/>.
- 15 Elena Chernenko, “На Севере становится все морознее (It’s getting colder in the North),” *Kommersant*, September 19, 2023, <https://www.kommersant.ru/doc/6223786>.
- 16 State Council Information Office, *China’s Arctic Policy*, January 26, 2018, [https://english.www.gov.cn/archive/white\\_paper/2018/01/26/content\\_281476026660336.htm](https://english.www.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.htm).
- 17 See Jingchao Peng et al., “China’s bilateral diplomacy in the Arctic,” *Polar Geography* 38, no. 3 (December 2015): 233-249.
- 18 Anthony et al., “A strategic triangle in the Arctic”: 7.

- 19 See Valery Zhuravel, “Место России и Западной Европы в “Белой книге” Китая по Арктике (The place of Russia and Western Europe in China’s White Paper on the Arctic),” *Nauchno-analiticheski vechnik instituta evropi PAH*, no. 1 (2018): 211–217.
- 20 See Nengye Liu, “Will China build a green belt and road in the Arctic,” *Review of European, Comparative and International Environmental Law* 27, no. 1 (2018): 55–62.
- 21 In 2022, Russia was the third-largest source of natural gas supplies to China, with Turkmenistan and Australia as the top two. In 2023, Russia became the top crude oil supplier to China, overtaking Saudi Arabia, whereas in 2022, both had an equal (18%) share.
- 22 See N Miheeva, “Chinese-Russian cooperation in the Arctic: geopolitics and economics,” *IOP Conference Series: Earth and Environmental Science*, no. 302 (2019): 1–7; and Mariya Kobzeva, “Cooperation between Russia and China in Arctic Shipping: Current State and Prospects,” *Arktika i Sever*, no. 43 (2021): 89–108.
- 23 Western sanctions imposed on Russia after its 2014 annexation of Crimea led to an overall decline in foreign investment from Western countries, also affecting the Arctic. Joint projects with Western companies also suffered on account of sectoral sanctions that affected the availability of finance and technology as well as equipment for offshore and deepwater production (as well as shale production) in the Arctic.
- 24 Camilla Sørensen et al., “Emerging Chinese– Russian cooperation in the Arctic Possibilities and Constraints,” *SIPRI Policy Paper*, no. 46 (2017): 16.
- 25 “Russia’s Arctic LNG 2 last line is on hold, TotalEnergies CEO says,” *Reuters*, February 8, 2024, <https://www.reuters.com/business/energy/russias-arctic-lng-2-last-line-is-hold-totalenergies-ceo-says-2024-02-08/#:~:text=At%20the%20end%20of%202023,converts%20natural%20gas%20to%20LNG>.
- 26 High North News, “Massive Floating LNG Storage Hub Arrives in Kamchatka in Far East,” August 1, 2023, <https://www.highnorthnews.com/en/massive-floating-lng-storage-hub-arrives-kamchatka-far-east>.
- 27 “Russia lacks ice-class vessels to develop Arctic sea route, talks to China, India - RBC,” *Reuters*, September 6, 2023, <https://www.reuters.com/world/russia-lacks-ice-class-vessels-develop-arctic-sea-route-talks-china-india-rbc-2023-09-06/>.
- 28 “Нет стапелю в чужом отечестве (No slipway in a foreign land),” *Kommersant*, August 30, 2021, <https://www.kommersant.ru/doc/4965338>.
- 29 Trym Eiterjord, “China’s Shipbuilders Seek New Inroads in Arctic Shipping,” *The Diplomat*, January 14, 2020, <https://thediplomat.com/2020/01/chinas-shipbuilders-seek-new-inroads-in-arctic-shipping/>.
- 30 Zvezda Shipyard in the Russian Far East entered into an agreement with Samsung Heavy Industries for transfer of technology to build fifteen Arc7 ice-class vessels for Novatek’s Arctic LNG-2 project. A subsidiary of China State Shipbuilding Corporation that specializes in building such LNG carriers, Hudong-Zhonghua, was also in the bidding for this project to build the Arc7 vessels, but this did not materialize, even though the company has previously built conventional LNG carriers for Yamal LNG. It is unclear if the current reported halt, due to sanctions of the project beyond the five vessels already completed at Zvezda, will open up opportunities for the Chinese shipbuilders, but this remains an option.
- 31 See Aleksandr Voronenko et al., “Prospects of cooperation between Russia and North-East Asian countries in the Arctic region,” *Arktika I Sever*, no. 35 (2019): 49–63.
- 32 Tianming Gao et al., “China-Russia collaboration in arctic Shipping and maritime engineering,” *The Polar Journal* 10, no. 2 (August 2020): 365.
- 33 “Russia and China ready to cooperate on development of Northern Sea Route — Putin,” *TASS*, March 21, 2023, <https://tass.com/economy/1592391>.

- 34 Filippova, “China’s New Role.”
- 35 Kobzeva, “Cooperation between Russia and China,” 83.
- 36 See Björn Gunnarsson, “Recent ship traffic and developing shipping trends on the Northern Sea Route—Policy implications for future arctic shipping,” *Marine Policy* 124 (February 2021).
- 37 Zhuravel, “Место России и Западной Европы (Place of Russia and Western Europe),” 213.
- 38 Artyom Lukin et al., “Россия и Китай в Арктике: состояние и перспективы двустороннего сотрудничества (The current state and prospects of the Russia-China bilateral cooperation in the Arctic),” *Oriental Institute Journal*, no. 1 (2022): 128.
- 39 See Lincoln E Flake, “Russia and China in the Arctic: A Team of Rivals,” *Strategic Analysis* 37, no. 6 (December 2013): 681-687.
- 40 See Tom Røseth, “Russia’s China Policy in the Arctic,” *Strategic Analysis* 38, no. 6 (2014): 841-859.
- 41 See Arild Moe et al., “Asian Countries and Arctic Shipping: Policies, Interests and Footprints on Governance,” *Arctic Review on Law and Politics* 10, (2019): 24–52, see also Miheeva, “Chinese-Russian cooperation,” 1-7; and Lukin et al., “Россия и Китай в Арктике (Russia and China in the Arctic),” 123-131.
- 42 “Arctic Council Observers: Criteria for admitting observers,” Arctic Council, accessed 18 November 2023, <https://arctic-council.org/about/observers/>.
- 43 Yun Sun, “The Northern Sea Route: The Myth of Sino-Russian Cooperation,” The Stimson Center, December 5, 2018, 14 <https://www.stimson.org/wp-content/files/file-attachments/Stimson%20-%20The%20Northern%20Sea%20Route%20-%20The%20Myth%20of%20Sino-Russian%20Cooperation.pdf>. Post-Soviet Russia has sought to present NSR as an international connectivity route linking Europe to Asia, but has stipulated that navigation must take place following its national legislation. Russian legislation defines NSR as consisting of internal sea waters, territorial sea, contiguous zone and exclusive economic zone (EEZ). While Russia’s right to establish rules is not disputed for internal waters and territorial sea; some states oppose its policy to do so in the contiguous zone and EEZ. According to UNCLOS, foreign ships have freedom of navigation in the EEZ but here Russia has argued using the exception provided by Article 234 of UNCLOS for ice-covered areas (which allows for coastal states to mandate rules to prevent, reduce and control marine pollution within the EEZ) to stipulate rules for navigation that consist of allowing entry of ships through applying for permits, icebreaker assistance and pilotage, stipulating type of ships fit to navigate the route etc. This means that Russia exercises control over movement of all foreign vessels in the NSR, which has been opposed by the US with regard to areas that are not part of its territorial waters. Others like China till now have complied with the Russian laws and its ships have been transiting through this route.
- 44 See Flake, “Russia and China in the Arctic,” 681-687.
- 45 Russia relies on historical evidence dating back to the tsarist period that relates to scientific research and rules established for control over navigation of the Arctic waters along its coastline to strengthen its argument about NSR in the present times. This continued in the Soviet period with its explorers looking at navigability of the NSR and in 1926 the USSR issued a decree ‘On the Proclamation of Lands and Islands Located in the Arctic Ocean as Territory of the USSR.’ The USSR argued that the NSR was part of its territorial and internal waters. At the time, given that the route was not much used due to difficulty of navigation and dependence on Soviet icebreakers for shipping, there wasn’t much active resistance to the idea. The US did

- object to the Soviet practice and also argued that the USSR did not have the right to regulate navigation through straits like Laptev and Sannikov, and that the ships moving through these had a right to innocent passage.
- 46 Viatcheslav Gavrilov, “Russian legislation on the Northern Sea Route navigation: scope and trends,” *The Polar Journal* 10, no. 2 (August 2020): 273-284.
- 47 Sorenson and Klimenko, “Emerging Chinese– Russian cooperation”, 39.
- 48 Anthony et al., “A strategic triangle in the Arctic”, 10.
- 49 Mariya Kobzeva et al., “Can China Change the Arctic Regime?” *Polar Record* 59, (2023): 4.
- 50 Trym Eiterjord, “Arctic Technopolitics and China’s Reception of the Polar Code,” *The Arctic Institute*, May 26, 2020, <https://www.thearcticinstitute.org/arctic-technopolitics-china-reception-polar-code/>.
- 51 Moe and Stokke, “Asian Countries and Arctic Shipping”, 24-52.
- 52 See Evgenia Kuklina, “Современный Китай в экономическом пространстве Арктики (Modern China in the Arctic Economic Space),” *Evraziskaya Integratsia* 14, no. 1 (2021): 22-31.
- 53 “China’s Sinopec pauses Russia projects, Beijing wary of sanctions –sources,” *Reuters*, March 28, 2022, <https://www.reuters.com/business/energy/exclusive-chinas-sinopec-pauses-russia-projects-beijing-wary-sanctions-sources-2022-03-25/>.
- 54 Matthew Lee, “US and China are talking at a high level again, but their rivalry remains unchecked,” *AP News*, June 20, 2023, <https://apnews.com/article/us-china-blinken-beijing-rivalry-0b08a809f12b1bcdee92afa5491a9fbf>.
- 55 A deepening Chinese interest in the NSR would depend on further infrastructure development along the route and future ice conditions, as well as the ability of Russia to ensure reasonable cost for icebreaking and pilotage fees, which remain high and currently limit growth. The volume of freight along the NSR has gone up to serve the needs of ongoing infrastructure development. Year-round transit shipping is expected to eventually bring down the cost, thus attracting foreign carriers, but the pace has been slower than expected. The difficulties in offshore exploration, especially after Western sanctions, may also reduce transit along the NSR, and thus overall predictions of route traffic remain largely conservative. Offshore exploration also depends on the price of oil, availability of technology, and future demand.
- 56 See Zhuravel, “Место России и Западной Европы (Place of Russia and Western Europe),” 211-217; and Moe and Stokke, “Asian Countries and Arctic Shipping,” 24-52.
- 57 Konstantin Voronov, “ЕС, Китай, Россия и Арктика: стратегические императивы (EU, China, Russia and Arctic: Strategic Imperatives),” *RIAC*, October 5, 2018, <https://russiancouncil.ru/blogs/arctic/es-kitay-rossiya-i-arktika-strategicheskie-imperativy/>.
- 58 See Security Council of Russian Federation, “Стратегия развития Арктической зоны Российской Федерации (Arctic Development Strategy zones of the Russian Federation),” 2..
- 59 See Duncan Depledge, “NATO and the Arctic,” *The RUSI Journal* 165, no. 5-6 (September 2020): 80-90.
- 60 Alexander Sergunin and Valery Konyshev, *Russia in the Arctic : Hard or Soft Power?* (Germany: Ibidem-Verlag, 2016), 91.