

China's Expansion into the Arctic

Why in news?

\n\n

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

\n\n

What is the development in the Arctic region?

\n\n

\n

- **Climate Change** - The unintended consequences of climate change are contributing to the transition of the arctic region.

\n

- Rising temperatures are melting some of the thick sheets of ice of the Arctic Ocean.

\n

- This is exposing and making usable, some of the hitherto blocked up potential.

\n

- **Navigation** - That, in turn, is opening channels through which ice-breaking ships can pass.

\n

- Once it becomes navigable, commercial ships will be able to move through the Arctic, opening shorter shipping routes.

\n

- The 'northeast passage' of the region will open up towards Europe.

\n

- The 'northwest passage' will head towards the U.S. and Canada.

\n

- **Resources** - It is estimated that beneath the layers of ice, highly prized reservoirs of minerals exist.

\n

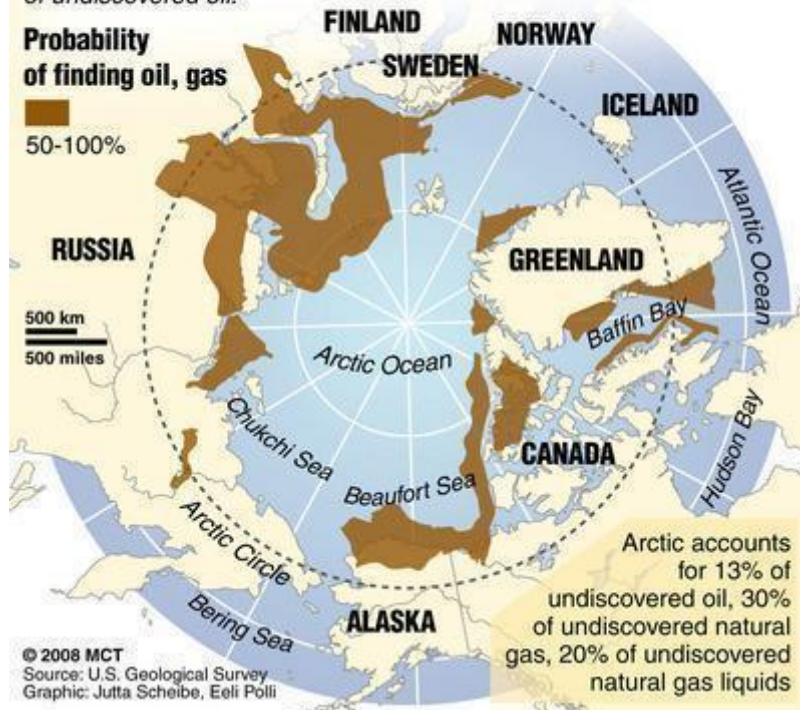
- The Arctic is said to possess 30% of the world's undiscovered natural gas and 13% of its undiscovered oil reserves.

\n

\n\n

Oil and gas in the Arctic

Area north of the Arctic Circle has an estimated 90 billion barrels of undiscovered oil.



\n\n

What is China looking for?

\n\n

\n

- **Exploration** - China's 360-degree hunt for resources and new trade routes is taking new turns.

\n

- The new development in the Arctic is reinforcing China's interests in the region.

\n

- China's obsession with becoming a leading, and advanced, industrial heavyweight is increasingly driving Beijing towards the Arctic.

\n

- It has become unrelenting and undeterred by obstacles posed by geography, politics or technology.

\n

- **Projects** - The **Polar Silk Road** (PSR) and Belt and Road Initiative (BRI) initiatives aim at industrialising Eurasia.

\n

- This is aimed through massive infrastructural development and network of trans-continental connectivity.

\n

\n\n



\n\n

- \n
- China is also focusing on **cyber-connectivity**.
- \n
- This is displayed by its embrace of the **digital economy**, demonstrated by the rise of the global e-commerce giant Alibaba, or Wechat.
- \n
- Talks are on in Chinese government to build a 10,500 km **fibre-optic undersea link** across the Arctic Circle.
- \n
- The enterprise, called the **Northeast Passage Cable Project**, will provide China a new high-speed digital traffic link.
- \n
- The proposal also involves Finland, Japan, Russia and Norway as partners in this undertaking.
- \n
- China will get increasingly connected with European financial and data hubs.
- \n
- **Long term Planning** - Beijing's forays in the Arctic are a result of its long-term planning for deeper engagement with the Arctic.
- \n
- China has invested in Iceland following the 2008 financial crisis.
- \n
- Eight years later, Chinese company Shenghe Resources purchased 12.5% of Greenland Minerals and Energy.
- \n

- China has also signalled its interest in two Iceland ports, as well as Norway's Arctic Kirkenes port.

\n

\n\n

What is Russia's role in this regard?

\n\n

\n

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

\n

\n\n

\n\n

Source: The Hindu

\n

