

CHINA'S GROWING INTERESTS IN THE ARCTIC

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Executive Summary

1. The melting of Arctic ice as a result of climate change has aroused intense attention from China, which has neither Arctic coast nor Arctic Council membership but has increased its presence substantially in the region recently.
2. The Arctic Ocean could be consistently ice-free in summer some time between 2013 and 2040, which would enable commercial shipping routes between Asia and Europe as well as between Asia and North America.
3. The new navigable Arctic sea routes from any northern Chinese ports to Europe's and North America's east coast ports will be shortened by at least 40% compared with conventional sea lanes via Suez Canal or Panama Canal.
4. On top of the cost-effectiveness of shortcuts via the Arctic Ocean, security consideration should also be factored in as China regards its heavy usage of Malacca Straits as a strategic vulnerability.
5. Another lucre that China could potentially reap is the huge reserve of natural resources like hydrocarbons and minerals in the region that remain untapped.
6. An ad hoc observer to the Arctic Council, China has applied to become a permanent observer state; however, up to now, no decision by the eight full member states has been made on the application.
7. In 2012, China's paramount leaders made landmark visits to Nordic states that had seldom attracted any significant geopolitical attention from the Mainland.
8. China has been rebuilding goodwill relations with Arctic states by offering generous investment and increasing bilateral trade.
9. Chinese academics are concerned about China's restricted rights in the Arctic where the majority of the natural resources and transportation lines would be

carved up by littoral states under the United Nations Convention on the Law of the Sea.

10. China has been investing heavily in building its polar research team, with the Snow Dragon (*Xuelong*), the world's largest non-nuclear icebreaker, in operation and another icebreaker under construction and scheduled to be operational in 2014.