

Research on China's Participation in International Cooperation in the Arctic from the Perspective of the "Polar Silk Road"

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Abstract— China, as the most important LNG importer in the Asia-Pacific region, has a huge dependence on energy imports. Russia, as an energy power, has found the vast majority of oil and gas resources in Russia, and Russia possesses more than 80% of the natural gas oil and gas field in the Arctic. The Arctic, as a natural resource, has become the competition for the object. As an Arctic country, Russia has a natural advantage in this regard. Russia proposed that China and Russia jointly develop and utilize the Arctic shipping routes to build the "Polar Silk Road", and cooperated with the Yamal LNG project and the Arctic LNG 2 project. This has greatly eased the pressure on China's energy demand and increased its energy supply channels. At the same time, it has also expanded China's ways to participate in the Arctic governance, and increased international exchanges and cooperation, so that China can safeguard its overseas interests in the process of effectively participating in the governance of the Arctic region.

Keywords— Polar Silk Road, China-Russia relations, international cooperation, Arctic affairs.

1. THE NECESSITY OF DEVELOPING THE "POLAR SILK ROAD"

1.1 China is the world's largest big shipowner country

China has become one of the most important shipping powers in the world. China has established shipping routes with more than 100 countries and regions, leading the world in maritime connectivity. Chinese shipowners have a fleet of 249.2 million tons, making them the world's largest shipowners in terms of gross tons. Shipping undertakes about 95% of China's foreign trade transportation volume, and plays an important role in ensuring the transportation of key materials such as food, energy and resources and the security, stability and smooth flow of international and domestic logistics supply chains.

China's port cargo throughput and container throughput have ranked first in the world. In 2023, the world's top 10 container ports have been released. According to the container throughput ranking, the world's top 10 container ports in 2023 are all located in Asia, among which China occupies 7 places. With the continuous expansion of China's international trade and the enhancement of its international influence, China's shipping industry has stepped into the center of the world shipping competition stage, and the world shipping center is gradually shifting from the west to the east.

1.2 Traditional Air Routes are Severely Blocked

Almost all imports and exports between China and Europe pass through the Strait of Malacca and then

through the Indian Ocean and the Suez Canal. However, there are many restrictions on this maritime route. For example, the weight of a ship through the Suez Canal cannot exceed 250,000 tons, and the amount of water can not exceed 21.98 meters. Once this limit is exceeded, it has to bypass the Cape of Good Hope or ship in batches, which will inevitably lead to the cost of transportation and the risk of shipping.

On March 23, 2021, a super large container ship named "Ever Given" was stuck in the Suez Canal from Yantian, Shenzhen, China to Rotterdam in the Netherlands, causing a two-way traffic jam in the Suez Canal. On March 25, Egypt's Suez Canal Authority Suez Canal Authority (SCA) temporarily suspended traffic on the Suez Canal. On March 29, "Ever Given" successfully floated again, and the ship has resumed its "normal course", and the crisis brought by the stranded cargo ship "Ever Given" on the Suez Canal has ended. "Ever Given" was stranded for six days, leaving many ingredients in the global supply chain short. The Suez Canal is one of the busiest trade routes in the world, where about 12% of global trade passes through. According to the journal, the value of the Suez Canal is about \$4.5 billion per day. The grounding of the ship will cost the world economy US \$400 million per hour (\$9.6 billion a day).

In this case, the necessity of the "Polar Silk Road" is obvious. This shipping route through the Arctic Circle connects the three economic centers of North America, East Asia and Western Europe.

2. THE DEVELOPMENT PROCESS OF THE “POLAR SILK ROAD”

2.1 Proposal of the Concept

In September, 2011, Minister of Defense of the Russian Federation Sergei Shoigu first proposed the concept of the “Polar Silk Road” at the second International Forum (International Arctic Forum on “The Arctic-A region of dialogue”) in Arkhangelsk. At first, the Polar Silk Road focused on Arctic waterway cooperation.

2.2 Negotiation and Consultation

In December 2015, the joint communique of the 20th Meeting between Chinese and Russian Prime Ministers described the “Polar Silk Road” as “to strengthen cooperation on the development and utilization of the Northern Sea Route and to carry out research on Arctic shipping”. The joint communique of the 21st meeting in November 2016 described the “Polar Silk Road” as “a study on the prospect of joint development of the transportation potential of the Northern Sea Route”. When the Belt and Road Summit Forum for International Cooperation was held in Beijing in May 2017, Russian President Vladimir Putin said, “I hope China can use the Arctic shipping route, connect the Arctic Passage with the Belt and Road.” In July of the same year, during his state visit to Russia, Chinese President Xi Jinping said that China welcome and is willing to actively participate in the Russian proposal of building the “Polar Silk Road”. It is hoped that the two sides will jointly develop and utilize the sea shipping routes, especially the Arctic shipping routes. China and Russia have reached consensus on jointly building the “Polar Silk Road”.

In June 2017, China’s National Development and Reform Commission and the State Oceanic Administration released the “Belt and Road” Plan for Maritime Cooperation, which for the first time identified the “Arctic Passage” as one of the three major “Belt and Road” maritime routes. On January 26, 2018, The State Council Information Office of China issued the first Arctic Policy Document -- China’s Arctic Policy, stating that China is willing to build the “Polar Silk Road” with other parties based on the development and utilization of the Arctic shipping routes.

3. PROGRESS OF THE “POLAR SILK ROAD” PROJECT

3.1 The Yamal LNG Project

On August 31, 2017, a cargo ship named Tianjian departed from Lianyungang, China, and arrived in Saint Petersburg, Russia on October 3, completing the first

voyage of the “Polar Silk Road” jointly built by China and Russia.

In December of the same year, the “Yamal Liquefied Natural Gas” project built by China and Russia went into operation, which is the first achievement of the “Polar Silk Road” built by China and Russia. Yamal LNG project is located in the Arctic Circle in Russia, which is the largest liquefied natural gas project in the Arctic region in the world. It belongs to the world’s integrated project of super-large natural gas exploration and development, liquefaction, transportation and sales, and is known as “an energy pearl embedded in the Arctic Circle”. On July 19, 2018, The first LNG ship of the Yamal LNG Project was supplied to China, through the Arctic Northeast Passage and arrived at the Jiangsu Rudong LNG terminal, which was later delivered to CNPC; on December 11th of the same year, the third production line of the project was officially put into operation, shifting the project construction stage to the production operation and cost recovery stage; The fourth production line designed in May 2021 was also successfully put into operation, and the total design capacity of the project will reach 17.4 million tons; For the whole year of 2022, The total LNG production of the project reached 21,029 million tons, going beyond the design capacity by 20.7%. As the first whole-industry chain cooperation project between China and Russia in the Arctic Circle, the Yamal LNG project takes the Yamal LNG carrier to China on the northeast route in summer and transshipment in Europe for regular routes in winter. Yamal LNG project has become an important fulcrum of the “Polar Silk Road”, not only driving the development of Russia’s energy industry and border areas, but also enriching China’s clean energy supply chain and accelerating the optimization of China’s energy structure. Later, China and Russia cooperated again to develop the Arctic large-scale liquefied natural gas project (Arctic LNG2). In addition, in the Greenland region, Sichuan Xinye Mining Investment Co., Ltd. and China Nonferrous Metals Construction Co., Ltd. have participated in iron ore investment and rare earth resources development.

3.2 Influence of the Launch of the Polar Silk Road on China-Russia Relations

On June 5, 2019, Chinese President Xi Jinping arrived in Moscow by special plane. During the state visit to Russia, the two heads of state decided to upgrade bilateral relations to a “China-Russia comprehensive strategic partnership of coordination in the new era” and established “mutual respect, equal trust, mutual help,

good-neighborliness, mutual support, strategic coordination, mutual understanding and mutual accommodation, win-win cooperation, non-alliance, non-confrontation”. It also signed “the Joint Statement of the People’s Republic of China and the Russian Federation on the Development of the Comprehensive Strategic Partnership of Coordination in the New Era” and “the Joint Statement of the People’s Republic of China and the Russian Federation on Strengthening Contemporary Global Strategic Stability”.

On March 21, 2023, Xi Jinping held talks with Mr Putin. After the talks in the Moscow Kremlin, the two heads of state signed “the Joint Statement of the People’s Republic of China and the Russian federation on deepening comprehensive strategic partnership of coordination”. The statement said that the two sides will continue to strengthen mutually beneficial cooperation in the financial sector and expand the use of local currency in economic and trade activities; The two sides will build closer energy partnerships, support both enterprises in promoting energy cooperation projects such as oil, gas, coal, electricity and nuclear energy, promote the implementation of initiatives to reduce greenhouse gas emissions, jointly safeguard international energy security, including key cross-border infrastructure, and contribute to the long-term, healthy and stable development of the global energy market.

4. The Significance of the “Polar Silk Road”

From the macro perspective, the proposal of “Polar Silk Road” will make it possible to reshape the Arctic international cooperation mechanism and promote the further deepening of Arctic cooperation; from the micro perspective, the “Polar Silk Road” cooperation between China and Russia will benefit both sides, especially under the background of the western sanctioned Russia. This kind of cooperation target and content not only provides rich external resource support for Russia, which is eager to “build a prosperous country”, but also reduces China’s energy security risks and the cost of Arctic energy cooperation coordination to a certain extent.

4.1 Significance to China’s Participation in Arctic Affairs and International Cooperation

As a country near the Arctic, in the history of a global community of a shared future for mankind, China’s unique geographical location and its own economic development determine the necessity for China to participate in Arctic affairs. However, as a non-Arctic

country, China’s participation in Arctic affairs is mainly based on the rights of scientific research, resource exploration and development in the Arctic region as stipulated in international treaties such as the UNCLOS, the Spitsbergen Treaty, the Safety Rules of Ship Navigation in Polar Waters and general international law. As has enough ability to participate in the Arctic affairs outside the Arctic countries, China is the beneficiaries, participants, reformers of the contemporary international system and pattern, which is also the main target of the western restrictions. The current problem of China is to participate in the Arctic affairs with the image of a peaceful and win-win power, to avoid other countries, organization resistance, to reduce the “China threat theory” speech, and to promote the resource development and utilization of the Arctic.

As a maritime passage, the “Polar Silk Road” embodies the policy proposition of “joint consultation, joint construction and shared result”. This policy orientation of open cooperation and win-win makes it win the support of most countries in the process of promotion. On September 5, 2018, after 33 days of sailing, COSCO cargo ship Tianen arrived in Rouen, the port city of northwest France. This is the first time that the ship has visited Europe along the Polar Silk Road to the Arctic. In recent years, the Norwegian government has expressed its intention to cooperate with China at the oral level and tourism field; in 2018, Finland proposed the “Polar Silk Road” initiative for China to promote its connection with the domestic “Arctic Corridor” program, which makes Finland a hub country connecting the Arctic and Eurasia. China participated in the process of the Arctic governance, integrated shipping problems, energy resources development, economic development and environmental protection balance, promoted the Chinese resource development and utilization in the Arctic, infrastructure construction, polar navigation, Marine transportation and other participation in the field of specific process.

The China’s Arctic policy white paper stressed that China’s Arctic policy is the goal of maintaining the Arctic countries and the international community in the Arctic, promoting the sustainable development of the Arctic. China’s Arctic policy white paper is China’s participation in the Arctic affairs of the guidance document, which made clear that China is willing to rely on the development and utilization of the Arctic channel. The “Polar Silk Road” is a concrete manifestation of China’s implementation of the white paper on China’s Arctic Policy. While achieving China’s Arctic policy

goals, it also broadens the path for China's participation in Arctic affairs.

4.2 Economic and Practical Significance

The Polar Silk Road will reshape China's economic and geographical pattern through the trade system and industrial layout. The new shipping route through the Arctic Ocean, especially the Northern Sea Route, if commercialized, will save about 5,000 nautical miles of distance and navigation time. What's more, opening the Northeast Arctic shipping route could save \$53-127 billion a year. Among them, the route between China's coastal ports and the east coast of North America will be shortened from the traditional Panama Canal route by 2,000-3,500 nautical miles, and the route between Shanghai and the ports of western Europe by 25-55% shorter than the traditional route.

China is the most important LNG importer in the Asia-Pacific region. In 2021, China overtook Japan and became the world's largest LNG importer.

The United States' geological survey on the Arctic of conventional oil and gas exploration potential (mainly in Eurasia and North American blocks) shows that the Arctic is expected to have 770-2,990 trillion cubic feet of potential conventional gas and 39 billion barrels of liquid natural gas, most of which in Russia. On the basis of energy equivalence, the Arctic's potential oil reserves are only a third of those of natural gas, about 4.4-157 billion barrels of potential oil overall.

In September 2019, Novatek announced that investors in the Arctic LNG2 project approved the final investment decision of the project. China, CNPC and CNOOC, respectively hold 10% of the project, and Novatek holds 60% of the equity of the project. Arctic LNG2 project exploitation of oil field, located in Russia's da peninsula, the proven gas nearly 1.4 trillion cubic meters and liquid reserves of 90 million tons, and the Arctic LNG2 project supply contract has been signed, delivered in 2023. 80 percent of LNG production project will supply to the Asia-Pacific market, which greatly eases the pressure of Chinese LNG demand.

With China's funding and related infrastructure construction efforts, the Polar Silk Road has effectively protected China's interests in the Arctic region. In addition to the construction of waterways, resource development is also the focus of building the "Polar Silk Road". China's advantage is mainly reflected in the huge energy market demand, abundant capital advantage, and rich experience in infrastructure

construction. At present, Russia's comprehensive strength is declining. If Russia wants to develop the Arctic energy, the only choice has to be China, the best and biggest partner. The same is true of China and this state will not change fundamentally in the short term. The promotion of the "Polar Silk Road" is a cooperation path for the two countries to maximize the benefits at the lowest cost.

5.CONCLUSION

The cooperative relationship between China and Russia is an important basis for promoting the construction of "the Polar Silk Road". Russia possesses abundant oil and gas resources, thus deepening the cooperation with Russia will not only reduce China's marine transport costs, avoid excessive dependence on a single route, but also promote China's trade system space layout and the balanced development, which provides new effective traction for China's regional coordinated development. China should seize the opportunity to promote international economic cooperation and promote regional trade development.

The "Polar Silk Road" is an important way for China to participate in international cooperation. As a "near Arctic country" and permanent observer of the Arctic Council, China fully integrates the cooperation concept of extensive consultation, joint contribution and shared benefits into the international cooperation mechanism in the Arctic. On the basis of maintaining the existing cooperation mechanism in the Arctic, China build a bridge and platform for communication and exchanges for regional cooperation in the Arctic. Its advantages in diplomatic, economic, technological and market capacity will help China play a positive role in safeguarding the security of the Arctic region, making green use of Arctic resources, participating in scientific research in the Arctic and safeguarding national interests.

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