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## ‘Cause It’s Always Been a Matter of Trust’: The Limits of China-Russia Cooperation in the Arctic

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On 7 February 2024, Robert Fife and Steven Chase published a [story](#) in the *Globe and Mail* which trumpeted a [report](#) released this month by Strider Technologies, an American intelligence firm, pointing to increasing Russian dependence on investment from the People’s Republic of China for Arctic development and deepening security ties, making the assertion that Beijing ‘is gaining a major foothold in the Arctic’. The Strider report based this argument on the sharp increase in the number of Chinese companies registering for activities within the Russian Arctic between 2020 and 2023. This at a time when Moscow is having to shift resources away from its far northern regions further southwest as its attempted invasion of Ukraine enters its third year.

This information, along with other more longstanding trends in Sino-Russian Arctic relations, including increased Chinese purchases of Russian oil and gas (at discounted rates), periodic joint military operations in or near the Arctic, and promises of closer cooperation between Russian and Chinese coast guards, prompted the report’s conclusion that ‘the PRC’s activities in the Arctic have hit an all-time high’. The Arctic, the document suggested, was proving to be a quintessential case study of the ‘no limits’ partnership the two powers declared two years ago on the eve of the attack on Ukraine.

The specter of a deepened Sino-Russian Arctic pact has been haunting the region for the better part of a decade, and at first glance, there is some substance to these concerns. Beijing has refused to condemn Russia’s actions in Ukraine and has been critical of both US-led sanctions on Russia and NATO ‘expansionism’ in the Arctic. As well, with Moscow having more limited contact with the Arctic Council since 2022, China and Russia have since agreed to seek out various avenues for improved cooperation in areas of investment and

research. At the Arctic Circle conference in October 2022, NATO Admiral Robert Bauer warned of the possibilities of closer Sino-Russian strategic cooperation, implying that China was just as much of a threat to the 'rules-based order' of the Arctic as the Putin regime. In a speech at the 2023 conference, he modified his stance on Beijing, but still called out ongoing Chinese interests in investing in the Russian Arctic, and noted that 'China's intentions for the region remain opaque.'

The crux of the Strider report is the argument that China is now able to rapidly increase its economic presence in the Arctic, and that Russia has all but abandoned its previous policy of restricting non-Arctic state activities in its Arctic lands, and so has opened the door to Chinese investment in Siberia and the Russian Far East (RFE). Yet, in taking a closer look at the pattern of Sino-Russian interaction in the Arctic in recent years, the picture being painted not only very much reflects limits on this partnership, but further illustrates the issues of trust between the two countries at a time when the Arctic is becoming more strategically sensitive.

First, there is the initial question of the robustness of Sino-Russian Arctic economic cooperation. Since 2017 China and Russia have sought to open the Northern Sea Route (NSR) along the Siberian coast as a new trade conduit between Asia and Europe, but transits using the route have been sporadic at best over the past five years, affected first by the global pandemic and then by unease by Chinese firms about warnings from the West about sanctions. One Chinese firm which was willing to test these limits, NewNew Shipping, found itself awash in a great deal of negative publicity when one of its ships was cited as being potentially responsible for cable cuts in the Gulf of Finland in October last year.

Chinese shipping in the NSR has largely entered a wait-and-see mode before attempting to resume anything like regular transits in the region. The announcement this month that three Chinese firms, and one from Hong Kong, would be subject to European Union sanctions and blacklisting for their links with Russia was more proof that Beijing was still under a Western magnifying glass regarding any major financial support for the Russian economy.

This concern about crossing red lines has been reflected elsewhere, including sporadic Chinese support for Russian energy infrastructure. While China has been happy to increase its imports of Russian oil, with levels hitting new records last year, Beijing's support for the Power of Siberia 2 natural gas pipeline to China has been lukewarm at best, with disagreements persisting over costs, pricing, and payments. These examples, as well as the perpetually stalled Belkomur rail link project in western Siberia, which was also supposed to be constructed with Chinese support, again call into question the robustness of Sino-Russian Arctic economic cooperation beyond surface-level assertions of goodwill.

Thus, some caution is required in equating the increase in the number of potential Chinese investors in the Russian Arctic, and a potential PRC beachhead in the region, as the Strider report and the Globe and Mail coverage suggests. Considering both the false starts and delays experienced by other joint ventures in the region, there are the underlying questions of what these incoming Chinese firms will actually be able to accomplish due to both economic and political constraints.

When the Polar Silk Road was originally conceived, China and Russia had considerably different visions of their Arctic development policies. Beijing saw the PSR as eventually expanding outwards to include as many Arctic economies as possible, in the hopes that while Russia would certainly remain the major regional partner, Chinese economic interests in the Arctic would not be restricted to only one regional economy. However, with several Chinese initiatives with the other Arctic states, including Canada, either cancelled or on hold, China is now in the difficult position of being far more dependent on Moscow's goodwill, at a time when the future of the Russian economy at best precarious.

China has declared the Polar Regions as a "strategic new frontier" (*zhanlue xin jiangyu* 战略新领域) and has declared an interest into expanding its shipping presence into the Central Arctic in the coming years. Russia, facing a long period of economic ostracism from the West, has sought to develop its Arctic regions as emerging economic drivers, and under those circumstances remains highly sensitive to any significant loss of sovereignty, economic or otherwise. Again, will incoming Chinese firms in Siberia and RFE be more than placeholders?

It is important to also acknowledge Russian interests in diversifying its Arctic partners beyond China, suggesting the Moscow is also wary of too close a dependence on a single economic partner, especially one with regional strategic interests may not match Russia's in the future. The Russian government has expressed interest in building Arctic cooperation India and the Gulf Region, and the recent expansion of the BRICS to include more non-Western governments, such as Iran and the UAE, offer more possibilities for Moscow to build an alternative Arctic organisation, especially if relations with the Arctic Council deteriorate. Last year, Russia called for the establishment of a BRICS science station in Pyramiden, Svalbard, which would allow not only China but also other members of this expanding group such as Brazil and India to participate, although so far there has been little response from Beijing, which already operates a Svalbard research station at Ny-Ålesund.

Any discussion about an immanent Sino-Russian Arctic deepening of economic or strategic relations must return to the question of to what degree the two governments trust each other in a part of the world which is undergoing such dramatic strategic scrutiny. Moscow remains concerned about China's longer-term goals in the region, especially as the power gap between the two states continues to widen. While Russia is content with inviting China to northern military exercises as a way of presenting a united front against NATO, Moscow still insists on going it alone in any serious strategic planning involving the Russian Arctic. And even though the April 2023 joint coast guard agreement was signed in Murmansk, (likely as a signal to Finland as Helsinki was assuming NATO membership), the prospect of Chinese vessels taking a greater role in the policing of Russian Arctic waters beyond any sort of symbolism clashes with ongoing Russian wariness of any outside intrusion in the region, especially during de facto wartime conditions.

While we must continue to critically examine the Arctic strategies of Beijing and Moscow, as both governments do represent significant challenges to regional security in many areas, there must be an effort

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not to fall into the default mode of treating the two powers as identical in their aims. Instead, examinations of Arctic security must acknowledge both the similarities and distinct differences in what China and Russia want in the far north. In an increasingly dangerous world, we need clarity about Arctic security and a nuanced understanding of our adversaries and competitors.

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