



## The Northern Sea Route: The Myth of Sino-Russian Cooperation

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### Introduction

Since 2017, a series of events have raised optimism about the potential for Sino-Russian cooperation in the Arctic region, including unilateral and bilateral statements between Beijing and Moscow about their shared vision for and commitment to joint development of the Arctic energy resources and shipping lane. China's economic interests in natural resources extractions and alternative transportation routes largely align with Russia's stated goals to revitalize its Arctic territory. After China formally launched its "Polar Silk Road" (PSR) at the beginning of 2018, much attention has been placed on Sino-Russian cooperation in the development of the Northern Sea Route, Russia's traditional Arctic shipping route. The Sino-Russian cooperation on the Arctic seems have become the upcoming great new chapter in their comprehensive strategic coordinative relations (全面战略协作伙伴关系).<sup>1</sup>

Despite the rhetorical enthusiasm from the two governments, concrete, substantive joint projects on the Northern Sea Route are lacking, especially in key areas such as infrastructure development. A careful examination of Chinese views on joint development of the Northern Sea Route reveals divergent interests, conflicting calculations and vastly different cost-benefit analyses. From the Chinese perspective, the joint development of the Northern Sea Route is a Russian proposal to which China reacted primarily out of strategic and political considerations rather than practical economic ones. While China is in principle interested in the Northern Sea Route, the potential and practicality of this alternative transportation route remains tentative and yet to be realized. For China, their diverging interests, especially over what constitutes mutually beneficial compromises, will be the biggest obstacle to future progress. Moscow needs to demonstrate much more sincerity or flexibility in terms of improving China's cost-benefit spreadsheet. In this sense, expectations and assessments of the impact of Sino-Russian cooperation specifically on the Northern Sea Route should be focused on moderate, concrete plans rather than glorified rhetoric.

### The Russian Origin of the Polar Silk Road Proposal

The Polar Silk Road (PSR) is a relatively new concept for China's Belt and Road Initiative and was conceptualized four years after BRI's 2013 formal introduction. In terms of policy statements, two official statements from the Chinese government paved the foundation for Beijing's Polar Silk Road endeavor. The first is the June 2017 Chinese "Vision for Maritime Cooperation under the Belt and Road Initiative" jointly released by the National Commission on Development and Reform and the State Oceanic

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<sup>1</sup> Zhang Lei and Ma Jun. "Why Is China-Russian Relations Called Comprehensive Strategic Collaboration Partnership?" CNTV, February 7, 2014. Accessed November 26, 2018. <http://opinion.cntv.cn/2014/02/07/ART11391781363647600.shtml>.

Administration, which proposed building three Blue Economic Passages, including one “leading up to Europe via the Arctic Ocean.”<sup>2</sup>

The second official document is the Arctic White Paper released by the State Council in January of 2018. This official government policy paper commits the Belt and Road Initiative to “bring opportunities for parties concerned to jointly build a “Polar Silk Road” and facilitate connectivity and sustainable economic and social development of the Arctic.”<sup>3</sup> In Section IV of the White Paper, where China’s policies and positions vis-à-vis its Arctic strategy are discussed, participation in the development of Arctic sea routes is listed as the foremost priority for the utilization of Arctic resources. Specifically, China’s hope to work with all parties on building a “Polar Silk Road” through developing Arctic shipping routes center heavily on two areas: infrastructure construction and the operationalization of sea routes, which includes safety of navigation, navigation rules and logistical capacities.<sup>4</sup>

The policy statements and language from Beijing seem to suggest that the Polar Silk Road is a Chinese initiative. And the attention paid by international observers and media outlets also support such a seemingly obvious conclusion, more-or-less because it is the first time China systematically discusses its policies and positions toward the Arctic, hence revealing its ambitions. However, such a conclusion does not represent the truth from the Chinese point of view. For China, the development of a Polar Silk Road originated from a Russian invitation, one that China reacted to rather than actively pursued.<sup>5</sup> There are different lenses through which one can view Chinese ambitions in developing the PSR, and understanding the difference between how China and the rest of the world sees the motivation for the plan’s development is key to understanding how the situation will play out.

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<sup>2</sup> “Ocean cooperation will focus on building the China-Indian Ocean-Africa- Mediterranean Sea Blue Economic Passage, by linking the China-Indochina Peninsula Economic Corridor, running westward from the South China Sea to the Indian Ocean, and connecting the China-Pakistan Economic Corridor (CPEC) and the Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC). Efforts will also be made to jointly build the blue economic passage of China-Oceania-South Pacific, travelling southward from the South China Sea into the Pacific Ocean. Another blue economic passage is also envisioned leading up to Europe via the Arctic Ocean.”

Mengjie. “Vision for Maritime Cooperation under the Belt and Road Initiative” Xinhua, June 20, 2017. Accessed November 26, 2018. [http://www.xinhuanet.com/english/2017-06/20/c\\_136380414.htm](http://www.xinhuanet.com/english/2017-06/20/c_136380414.htm).

<sup>3</sup> The State Council Information Office of the People’s Republic of China. *China’s Arctic Policy*. Beijing, 2018. Accessed November 26, 2018.

[http://english.gov.cn/archive/white\\_paper/2018/01/26/content\\_281476026660336.htm](http://english.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.htm).

<sup>4</sup> “China hopes to work with all parties to build a “Polar Silk Road” through developing the Arctic shipping routes. It encourages its enterprises to participate in the infrastructure construction for these routes and conduct commercial trial voyages in accordance with the law to pave the way for their commercial and regularized operation. China attaches great importance to navigation security in the Arctic shipping routes. It has actively conducted studies on these routes and continuously strengthened hydrographic surveys with the aim to improving the navigation, security and logistical capacities in the Arctic. China abides by the International Code for Ships Operating in Polar Waters (Polar Code), and supports the International Maritime Organization in playing an active role in formulating navigational rules for the Arctic. China calls for stronger international cooperation on infrastructure construction and operation of the Arctic routes.”

The State Council Information Office of the People’s Republic of China. *China’s Arctic Policy*. [http://english.gov.cn/archive/white\\_paper/2018/01/26/content\\_281476026660336.htm](http://english.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.htm).

<sup>5</sup> Wang Zhimin and Chen Yuanhang. “The Polar Silk Road: New Artery for International Sea Shipping Communications,” Northeast Asia Forum, March 12, 2018. Accessed November 27, 2018.

<http://m.dunjiaodu.com/waijiao/2626.html>.

The Russian proposal since its early days has included several key components, with the Primorye International Transport Corridor and the Northern Sea Route being the most important two. Russia's earliest proposal to China for cooperation in the Northern Sea Route was made in May 2015, by Russian Deputy Prime Minister Dmitry Rogozin to then Vice Premier Wang Yang during the second Sino-Russian Expo. At that discussion, the Northern Sea Route was pitched to the Chinese as the most "promising project" for Sino-Russian cooperation.<sup>6</sup> Rogozin's invitation escalated later that year. At the Fourth International Arctic Forum "Arctic: Today and the Future" held in St. Petersburg in December, Rogozin recognized that Russia proposed to China to participate in projects intended to build railways to transport cargo freights to ports along the Northern Sea Route. It was also during this conversation that the term "Polar Silk Road" began to emerge, although the project was initially coined the "Cool Silk Road."<sup>7</sup> Echoing Russia's expressed interest in inviting China to jointly develop the Northern Sea Route, the joint communiques on the results of the 20<sup>th</sup> and 21<sup>st</sup> regular meetings of the prime ministers of Russia and the premier of China both included the issue of the Northern Sea Route. The wording from the 20<sup>th</sup> meeting was that the two countries would "strengthen the cooperation on the development and utilization of the Northern Sea Route and conduct research on the Arctic shipping."<sup>8</sup> The 21<sup>st</sup> meeting further pinpointed the focus of the project to "research on the prospect of the joint development of the shipping potential of the Northern Sea Route."<sup>9</sup>

Based on working-level dialogues and research, the most senior-level Russian proposal to China regarding cooperation on the Polar Silk Road was first made by President Putin during his participation in the Belt and Road Forum in Beijing in May of 2017. At the forum, Putin expressed his hope that "China will utilize Arctic shipping routes and connect them to the Belt and Road."<sup>10</sup> Xi Jinping echoed Putin's call two months later when he visited Russia. During the meeting with Russian Prime Minister Dmitry Medvedev, the two leaders confirmed that their respective countries "will launch cooperation on Arctic shipping routes and jointly develop a 'Polar Silk Road.'"<sup>11</sup> Xi and Medvedev reiterated the desire to jointly develop Arctic shipping routes and the Polar Silk Road during Medvedev's visit to Beijing in November of 2017. The three events paved the ground for the inclusion of the Polar Silk Road in the Arctic White Paper. Since then, the Polar Silk road terminology has been actively used by both sides.

The issue of the party that first initiated bilateral cooperation on the Northern Sea Route is important because it illustrates disparity in motivations, eagerness and each side's weight in the bilateral negotiation. The question is not who wants the project to come to fruition, as both countries have strong and obvious reasons underscoring the desire for a developed Northern Sea Route; rather, *the real question is who wants it more*. Moreover, for a project as economically costly and practically uncertain as the Northern

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<sup>6</sup> Xu Guangmiao. "An Analysis on the Prospect of Integrating 'Northern Sea Route' Development Project into the Construction of The Belt and Road." *Journal of Boundary and Ocean Studies*, Vol. 3, No. 2 (March 2018): 87.

<sup>7</sup> "Russia Invites China to Take Part to the Northern Sea Route Projects." RT Business and TASS, December 8, 2015. Accessed November 26, 2018. <https://arcticportal.org/ap-library/news/1637-russia-invites-china-to-take-part-to-the-northern-sea-route-projects>.

<sup>8</sup> "What is the 'Ice Silk Road' that the China and Russian leaders said they want to work together?" Huanqiu, November 5, 2017. Accessed November 26, 2018. <http://world.huanqiu.com/article/2017-11/11356757.html>.

<sup>9</sup> Ibid.

<sup>10</sup> Liu, Shaohua, Lv Anqi, and Cai Zhenmeng. "Creating the Ice Silk Road toward the north." *People's Daily*, February 14, 2018. Accessed November 26, 2018. <http://world.people.com.cn/n1/2018/0214/c1002-29823374.html>.

<sup>11</sup> Xu. "An Analysis on the Prospect of Integrating..." 87.

Sea Route, the disparity in motives and motivations determines the leverage each side enjoys, thereby greatly influencing the final result.

### Chinese Perception of Russia's Northern Sea Route Proposal

#### 1. The Russian Motivation

In the Chinese perception, Russia's eagerness to develop the Polar Silk Road and the Northern Sea Route reflects the prioritization Moscow has attached to the development of the Arctic region as the new area for economic growth. In terms of what is technically recoverable, the Arctic may contain as much as 90 billion barrels of oil and 47 trillion cubic meters of natural gas, of which Russian potential reserves currently amount to approximately 48 billion barrels of oil and 43 trillion cubic meters of natural gas.<sup>12</sup> The Russian Arctic contributes 11 percent of Russia's revenue and approximately 20 percent of its GDP.<sup>13</sup> The Arctic territory plays a critical and strategic role in Russia's developmental goals, especially in the realm of energy resources and shipping lanes.

The revitalization of the Northern Sea Route occupies a central place in Russia's Arctic development.<sup>14</sup> Stretching from the Barents Sea to the Pacific Ocean, the Northern Sea Route, during its navigational seasons, allows ships to reduce transit time between Europe and Asia by 30 to 40 percent. As the increasing impact of global warming and the melting of Arctic ice extends the period during which the waters are navigable during the summer, the Northern Sea Route could significantly boost Russia's economic development through fostering investment which will lead to infrastructure development, transit and navigation fees, expansion of foreign markets, and improved domestic transportation. Most recently, President Putin vowed to increase the volume of cargo traffic along the Northern Sea Route tenfold, to 80 million tons by 2025. Increasing the volume of cargo traffic necessarily requires greater international participation in shipping in these waters, making the Northern Sea Route a truly global and competitive sea route.<sup>15</sup>

For the sake of the Russian economy, the Chinese see the Northern Sea Route as realizing Moscow's aspiration to diversify the sources of its economic growth, restructuring its economy and correcting Russia's overdependence on the energy resources industry. In terms of the geo-economic landscape, the new shipping route through the Northern Sea Route could potentially reshape the topography/ecosystem

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<sup>12</sup> Pritchkin, Stanislav. "Russia's Untapped Arctic Potential: Exploring why company turf wars and western sanctions are preventing Russia from extracting oil and gas from the Arctic." Chatham House, January 29, 2018. Accessed November 26, 2018. <https://www.chathamhouse.org/expert/comment/russia-s-untapped-arctic-potential>.

<sup>13</sup> Soroka, George. "Putin's Arctic Ambitions: Russia's Economic Aspirations in the Far North." Foreign Affairs, May 5, 2016. Accessed November 26, 2018. <https://www.foreignaffairs.com/articles/russia-fsu/2016-05-05/putins-arctic-ambitions>.

<sup>14</sup> "Putin: Northern Sea Route's Traffic to Increase Tenfold by 2025." World Maritime News, March 2, 2018. Accessed November 26, 2018. <https://worldmaritimeweb.com/archives/246360/putin-northern-sea-routes-traffic-to-increase-tenfold-by-2025/>.

<sup>15</sup> Ibid.

of global transportation, hence the framework of global trade.<sup>16</sup> Such observations, although inflated, regarding the geo-economics of the Northern Sea Route perhaps more closely reflect China's aspirations rather than those of Russia.

While Russia's hopes for the Northern Sea Route are undeniably ambitious, the Chinese assessment of the bold claims made by Moscow is much more realistic. For China, Russia's dominance in the Northern Sea Route is shadowed by the outdated infrastructure, necessitating external investments for their upgrade. Based on extensive scientific research and exploration by shipping vessels along the Northern Sea Route, the Soviet Union developed a unique advantage with respect to knowledge, technical know-how, port construction as well as relevant services such as icebreaking and pilotage.<sup>17</sup> While these technical, legal, and administrative advantages have endowed Russia with a great position as perhaps the most influential player in the Arctic region, to China, Russia has not devoted sufficient investment in the maintenance and advancement of this sea lane of communications since the disintegration of the Soviet Union. Chinese experts point out that the Northern Sea Route's port facilities are outdated and ineffective: only four out of the 20 Arctic ports along Northern Sea Route are connected to Russia's national transportation system and 40 percent of the ports lack functionality and/or ability to host ships.<sup>18</sup>

## 2. Russia's Failure to Promote Transit Traffic

Chinese analysts identify three types of traffic typically occurring on the Northern Sea Route: domestic traffic, resource export traffic, and transit traffic. Among these three categories, transit traffic has the most significance regarding the development of the Northern Sea Route as an international shipping route, because the first two are primarily driven by Russian domestic and export demand. To expand the Northern Sea Route as an international shipping route, Russia needs to promote and increase the transit traffic significantly to attest to its utility and value. This is what Chinese analysts see as the primary objective in the development of the Northern Sea Route.<sup>19</sup>

However, contrary to the need, transit traffic growth has been the slowest within the Northern Sea Route's operations. While the total number of transit vessels and cargo volume has been steadily increasing, *the majority this increase came from non-transit traffic*. The transit cargo volume grew from 111,000 tons in 2010 to 1.356 million tons in 2013 with a total of 71 transits.<sup>20</sup> However, after hitting a peak year in 2013, the number of vessel transits and tonnage on the Northern Sea Route has declined sharply, falling to a low of 18 transits/40,000 tons in 2015 and 19 transits/214,000 tons in 2016.<sup>21</sup> In 2016, only 19 out of a total of 1705 Northern Sea Route voyages were transit traffic, demonstrating the

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<sup>16</sup> Feng Shuai. "Conceptual dividends, endogenous barriers and the strategic dilemma of the opening of the Russian North Sea Channel." *Russian, East European & Central Asian Studies*, No. 2 (2016): 75.

<sup>17</sup> Xu Guangmiao. "An Analysis of the History of Development of the North Sea Channel of the Soviet Union." Sohu, September 20, 2018. Accessed November 26, 2018. [http://www.sohu.com/a/254990485\\_618422](http://www.sohu.com/a/254990485_618422).

<sup>18</sup> Xu. "An Analysis on the Prospect of Integrating..." 87. <http://www.cibos.whu.edu.cn/res/soft/2018/39b5583525c92ba8.pdf>.

<sup>19</sup> Feng. 85.

<sup>20</sup> Han Chang-yu and James Bond. "Future of traffic on the Northern Sea Route." [https://ww2.eagle.org/content/dam/eagle/articles/FrontierEnergy\\_5.18.17.pdf](https://ww2.eagle.org/content/dam/eagle/articles/FrontierEnergy_5.18.17.pdf).

<sup>21</sup> Zhao Long. "China-Russia Arctic Sustainable Development Cooperation: Challenges and Path." *China International Studies*, No. 4 (July 2018). Accessed November 26, 2018. [http://www.ciis.org.cn/gvzz/2018-07/25/content\\_40434346.htm](http://www.ciis.org.cn/gvzz/2018-07/25/content_40434346.htm).

Han and Bond.

predominantly domestic nature of Northern Sea Route shipping.<sup>22</sup> In 2017, the vast majority of Northern Sea Route voyages consisted of Russian domestic traffic, with only 24 transit traffic instances among the more than 1800 voyages along the route.<sup>23</sup> Chinese analysts therefore reach the conclusion that the extremely limited transit traffic on the Northern Sea Route even during its best year is insufficient to have an impact on the international shipping industry.<sup>24</sup> To say the least, the potential viability of Northern Sea Route transit shipping is still being evaluated.

Indeed, there are exogenous, inexorable factors that contributed to the decline of Northern Sea Route transit traffic since 2014, such as the dropping bunker prices, decreased cost of fuel, decline of commodity prices, and the Ukraine crisis that year. However, for some Chinese experts, Russia's failure to stimulate transit traffic along the Northern Sea Route essentially reflects its inability to attract shipping companies and infrastructure investment with only the potential of future dividends. For example, according to Feng Shuai, who led a State Oceanic Administration- Polar Research Institute of China joint research project on the prospect of Northern Sea Route development in 2015, the Russian government's public relations campaign led by President Putin to paint a glorious picture of a cost-effective and thriving Northern Sea Route as the alternative transit route for the international shipping industry is far from sufficient to stimulate the much-needed, front-loaded investment.<sup>25</sup> Without basic financing and planning to lay a firm foundation, the success/failure of the Northern Sea Route development is entirely predicated on experimental voyages and a highly optimistic interpretation of the earlier shipping data, which is neither reliable nor sustainable. Feng continues to warn the Russian government:

*"The sharp decline of transit traffic since 2014 illuminates the bursting of the Northern Sea Route shipping bubble. If Russia does not make profound changes to its development model, this round of focus on the Northern Sea Route will lead to nothing."<sup>26</sup>*

### 3. Russia's Changing Attitude toward China on the NSR

China is correct in pointing out that the lack of funding from the Russian government is a major obstacle to the development of the Northern Sea Route. In particular, Russia's economic crisis has made it even more difficult for Moscow to self-fund the requisite investment to champion this endeavor. Beginning in 2014, Russia encountered a severe financial crisis as the result of international economic sanctions instituted after Russia's annexation of Crimea and Russian military intervention in Ukraine. Exacerbating the outlook for the Russian economy was a 50% decline in oil prices between June and December of 2014. Because of multiple economic factors, Russia experienced negative GDP growth in 2015 (-2.8%) and 2016

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<sup>22</sup> Ibid.

<sup>23</sup> Malte, Humpert. "Shipping Traffic on Northern Sea Route Grows by 40 percent." High North News, December 19, 2017. Accessed November 27, 2018. <https://www.highnorthnews.com/en/shipping-traffic-northern-sea-route-grows-40-percent>.

<sup>24</sup> Feng. 88.

Zhao. "China-Russia Arctic Sustainable Development Cooperation..."

<sup>25</sup> Ibid. 93.

<sup>26</sup> Ibid.

(-0.2%).<sup>27</sup> While Moscow would like to claim that it is pouring in substantial investment into the Northern Sea Route's infrastructure, the fact remains that its hands are tied by a limited budget.<sup>28</sup>

In China's eyes, international diplomatic isolation and the financial crisis, as well as Western strategic pressure on Moscow formed the foundation of Russia's changing attitude toward China's role in Northern Sea Route development since 2014. Before 2014, China detected a largely hostile and suspicious attitude from Russia toward China's Belt and Road Initiative, which was seen as a competitive geopolitical/geoeconomic strategy to weaken or marginalize Russia's dominance in the region.<sup>29</sup> Additional concerns include Russia falling into a "resource curse" trap created by Chinese investment and becoming a destination of a massive number of Chinese immigrants.

The Arctic serves as a key driver of Russia's hostility and reasoning for attempting to exclude China's involvement in what it perceives to be Russia's sphere of influence. Abundant embarrassing cases are remembered vividly in Chinese memories. As early as 2003, Russia had "groundlessly" rejected Chinese research vessels that wanted to enter Russia's EEZ during China's second Arctic Expedition.<sup>30</sup> More recently, in 2012, Russia prohibited Chinese research vessels to "conduct any operation or maritime research in any manner" along the Northern Sea Route during China's fifth Arctic Expedition, forcing China to suspend all its research activities.<sup>31</sup> In 2013, one year before Moscow sought out Beijing as a collaborator on the NSR's growth and development, China had proposed to dispatch Chinese researchers to work with the Russian Far East Maritime Research Institute on Arctic research using rented Russian research vessels. But the proposal was eventually rejected by Russian security agencies.<sup>32</sup> Militarily, the Russian Navy had sent warnings to China as early as 2010 that Beijing was "advancing their interest very intensively, in every possible way" in the Arctic, necessitating enhanced Russian naval exercises and control of the Northern Sea Route.<sup>33</sup> And Russia was identified as the vanguard against China's application for observer status at the Arctic Council. Moscow's opposition persevered through the 2013 Council meeting that decided to grant China observer status along with India, Japan, South Korea, Singapore and Italy.<sup>34</sup> The Russian concern and suspicion is well-documented and well-understood by the Chinese side.

The pre-2014 cold-shoulder by Russia forms a sharp contrast to its enthusiasm to cooperate with China on the Northern Sea Route after the Ukraine Crisis. Make no mistake, China knows exactly what sparked the origin of Russia's changing attitude. Russia has been operating from a position of weakness on the Northern Sea Route's development, whereas China operates from a position of strength. While Russia

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<sup>27</sup> World Bank. GDP Growth. Accessed November 26, 2018.

<https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=RU>.

<sup>28</sup> Interview. Beijing, June 2018.

<sup>29</sup> Mei Guanqun. "Russia's Attitudes towards the Belt and Road, Causes and the Sino-Russian Strategic Docking." *Siberian Studies*, Vol. 45, No. 2 (April 2018): 29.

<sup>30</sup> The Arctic Blue Paper. 261. Although the Russian government in the end revised its decision and granted the permission, the decision was made only after the Chinese expedition was completed.

<sup>31</sup> Qu Jing. "The difficult passage of the Eastern Siberian Sea: Xinhua News Agency correspondent witnessed one of the Northeast Passages." Xinhua, July 27, 2012. Accessed November 26, 2018.

[http://www.soa.gov.cn/xw/ztbd/2012/zgdwcbjkkc/xwzx\\_dwcbjkk/201211/t20121129\\_10256.htm](http://www.soa.gov.cn/xw/ztbd/2012/zgdwcbjkkc/xwzx_dwcbjkk/201211/t20121129_10256.htm).

<sup>32</sup> The Arctic Blue Paper. 262.

<sup>33</sup> Faulconbridge, Guy. "Russian navy boss warns of China's race for Arctic." Reuters, October 4, 2010. Accessed November 26, 2018. <https://www.reuters.com/article/russia-arctic-idAFLDE6931GL20101004>.

<sup>34</sup> "China was approved as an observer after heated debate in the Arctic Council." BBC, May 15, 2013. Accessed November 26, 2018. [https://www.bbc.com/zhongwen/simp/world/2013/05/130515\\_china\\_arcticcouncil](https://www.bbc.com/zhongwen/simp/world/2013/05/130515_china_arcticcouncil).

lacks funding and infrastructure development capacity, China specializes on both of those fronts. From the Chinese perspective, it is precisely the Russian lack of capacity and options that opened the door for the Kremlin to invite Beijing to step in.

### The Development of the Northern Sea Route: A Myth for China

#### 1. Development of the Northern Sea Route: China's Logic

The logic about the desirability of the Northern Sea Route has been well-articulated in China. Most evidently, by pure geography, the route could shorten the shipping distance between China and Europe by approximately 5000 miles and the shipping time by ten days compared to the traditional shipping route from the Strait of Malacca and the Suez Canal.<sup>35</sup> The argument naturally continues that the route could also cut the shipping costs and avoid nontraditional security threats – such as piracy – associated with the traditional shipping route.

The Chinese company involved in Arctic shipping operations, COSCO Shipping Specialized Carriers Company (COSCOL), which operates under the umbrella of the China Ocean Shipping Company (COSCO), launched its first voyage through the Northern Sea Route in the summer of 2013 deploying Yongsheng, an ice class cargo ship owned by COSCOL. According to official estimates, since the first voyage, COSCOL has had ten vessels completing fourteen trips through the Arctic.<sup>36</sup> The savings appear significant: the fourteen trips in total saved a travel distance of 67,390 nautical miles, cutting travel time by 220 days, fuel by 6,948 tons and cost by 9.36 million U.S. dollars.<sup>37</sup> To validate the consistent viability of the Northern Sea Route, COSCOL vessels have been sailing through the passage every year since 2015. The company estimates that more than ten ships will continue the mission in 2018.<sup>38</sup>

Since the announcement of the Polar Silk Road in 2017, Chinese state media and academics have spared no effort to sing the praises of the shipping potential of the Northern Sea Route and how it could diversify the Belt and Road Initiative, boost China's economic relations with regional countries and open up a faster and more economical alternative for shipment between China and Europe.<sup>39</sup> Most of the official narratives of the Northern Sea Route from China have been exceedingly bullish and positive, with the attendant challenges associated with Northern Sea Route shipping scarcely mentioned.

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<sup>35</sup> Cui Jingtao. "How far is the Arctic Northeast Passage from us?" Oceanol, July 27, 2012. Accessed November 26, 2018. [http://www.soa.gov.cn/xw/ztbd/2012/zgdwcbjxkcc/zghybjzjw/201211/t20121129\\_10317.htm](http://www.soa.gov.cn/xw/ztbd/2012/zgdwcbjxkcc/zghybjzjw/201211/t20121129_10317.htm).

<sup>36</sup> Liu Shiping. "China COSCO Shipping Corporation will have more than 10 merchant ships crossing the Arctic Channel this summer." Xinhua, June 19, 2018. Accessed November 26, 2018. [http://www.xinhuanet.com/politics/2018-06/19/c\\_1123006124.htm](http://www.xinhuanet.com/politics/2018-06/19/c_1123006124.htm).

<sup>37</sup> Wu Ying. "COSCO's Arctic Route Japan Promotion Conference Opens a New Chapter of "Ice Silk Road" Cooperation." People's Daily, February 10, 2018. Accessed November 26, 2018. <http://world.people.com.cn/n1/2018/0210/c1002-29816940.html>.

<sup>38</sup> Liu Shiping. "China COSCO Shipping Corporation..."

<sup>39</sup> "The 5th Anniversary of the "Belt and Road" Initiative: 'Arctic Silk Road' in the Arctic Northeast Passage." CNTV, August 10, 2018. Accessed November 26, 2018. [http://www.xinhuanet.com/fortune/2018-08/10/c\\_1123251832.htm](http://www.xinhuanet.com/fortune/2018-08/10/c_1123251832.htm).

Zhang Yao. "Arctic routes will profoundly affect the geo-economic landscape." People's Daily, February 14, 2018. Accessed November 26, 2018. <http://finance.people.com.cn/n1/2018/0214/c1004-29823778.html>.

### 2. Development of the Northern Sea Route: China's Reality

However, such positive and extravagant rhetoric does not negate the fact that actual development or concrete projects along those lines between the two countries are still far from bearing fruit. Indeed, between 2017 and the first seven months of 2018, the monthly average of Chinese FDI to Russia dropped from \$183 million to \$33 million.<sup>40</sup> The Chinese government's official statement has singled out "key strategic projects" in the fields of energy, nuclear energy, aerospace, aviation, and cross-border infrastructure as the fundamental priorities for joint cooperation.<sup>41</sup> Yet none of these fields are related directly to the development of the Northern Sea Route.

China's paramount concern about the development of the Northern Sea Route lies in its economic practicality. For Beijing, large-scale international commercial shipment through the Northern Sea Route has always been a vision for the future, but never a concrete, present reality. The most significant constraint for the Northern Sea Route lies in the inability to leverage economies of scale in container shipping. Due to the unpredictability of the Northern Sea Route given seasonal changes in weather and ice conditions, container shipping is unlikely to become a norm for the Northern Sea Route due to its requirement for strict shipping and transshipment scheduling. The primary shipments China maintains on the Northern Sea Route are tank freight and loose-loaded cargo, which are less subject to stringent schedule requirements.<sup>42</sup> In addition, the depth of the Sannikov Strait (13 m) imposes an unavoidable constraint on the size of the container ships that are able to pass through.<sup>43</sup> This type of factor continues to limit the economic potential of the Northern Sea Route.

The Northern Sea Route's main potential originates from the melting of Arctic ice and the expected extension of the shipping season. Chinese state media frequently reports a three-month-long shipping season for the Northern Sea Route in recent years as a significant change to the international shipping landscape. However, according to sailors from COSCOL, all Chinese voyages through the Northern Sea Route so far have happened during those warm months, yet they still need navigation and ice-breaking services from Russia regularly.<sup>44</sup> What it means is that the melting of Arctic ice makes shipping along the Northern Sea Route possible, but not necessarily desirable or comparable to the traditional shipping routes. Those Russian services add greatly to shipping costs. For example, during the Chinese general cargo ship Lian Hua Song's voyage from August to September of 2017 through the Northern Sea Route,

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<sup>40</sup> Guan Xueling. "Promote the development of China-Russian economic and trade relations into a new stage." *Guan Ming Daily*, September 14, 2018. Accessed November 26, 2018. [http://www.xinhuanet.com/world/2018-09/14/c\\_1123430569.htm](http://www.xinhuanet.com/world/2018-09/14/c_1123430569.htm).

"The Ministry of Commerce held a press conference to introduce the situation of China's foreign investment in January-August 2018 and answer questions." Ministry of Commerce, September 13, 2018. Accessed November 26, 2018. [http://www.gov.cn/xinwen/2018-09/13/content\\_5321729.htm](http://www.gov.cn/xinwen/2018-09/13/content_5321729.htm).

<sup>41</sup> "The Ministry of Commerce held a press conference to introduce the situation of China's foreign investment in January-August 2018 and answer questions." Ministry of Commerce, September 13, 2018. Accessed November 26, 2018. [http://www.gov.cn/xinwen/2018-09/13/content\\_5321729.htm](http://www.gov.cn/xinwen/2018-09/13/content_5321729.htm).

<sup>42</sup> Gao Tianming et al. *Report on the China-Russia Collaboration on the Development of the Ice Silk Road in the Arctic 2018*. Beijing: Current Affairs Press, 2018, 74.

<sup>43</sup> "The Japanese magazine looks down on Arctic route: not as good as the China-Europe high-speed railway." *Cankaoxiaoxi*, May 22, 2017. Accessed November 27, 2018. [http://www.xinhuanet.com/mil/2017-05/22/c\\_129613219.htm](http://www.xinhuanet.com/mil/2017-05/22/c_129613219.htm).

<sup>44</sup> Liu Shiping. "Chinese cargo ships meet in Arctic." *Xinhua*, September 12, 2018. Accessed November 27, 2018. <http://hqttime.huanqiu.com/article/a-XCX8LS5E18588E68D43EFB>.

the two ice-breaking navigation services it received from Russia incurred a total cost of 140,000 USD.<sup>45</sup> When doing the calculus, the short shipping season and additional service costs for assistance negatively impacts the cost-benefit analysis for China.

Lack of infrastructure facilities to service a Northern Sea Route shipping lane is another problem that does not offer a solution soon. Northern Sea Route shipping requires logistical and maintenance services, especially refueling services by deep sea ports, of which Russia has few. The alternative to fueling stations in the Far North includes ice-class oil tankers, which are yet another expensive investment. Most of the Russian ports along the Northern Sea Route are not connected to Russia's national transportation system, indicating that the ports themselves do not offer much cargo for shipment.<sup>46</sup> Similar needs for infrastructure investment also include improved rescue and medical services. But heretofore, in the Chinese view, Russia does not even have enough funding to sustain the existing level of service, let alone their desire to fund future expansion to accommodate new demand from Northern Sea Route transit shipment. Russia's current base for rescue missions for the eastern part of the Northern Sea Route is located at Vladivostok, too far to react timely and rapidly to emergencies that may occur within the Northern Sea Route. The lack of rescue and medical services will in turn increase insurances costs. In addition, the Chinese experts also point out, given that the curvature of the earth prevents the applicability of geostationary satellite in regions above 70°00'N-75°00'N, that there is not yet a communication system that comprehensively serves the Arctic region.<sup>47</sup>

A careful examination of the Chinese policy community's analysis of the economic practicality of the Northern Sea Route reveals a rather inconvenient truth: although China anticipates great potential for the Northern Sea Route shipping lane, the benefit remains far down in the future and requires significant investment and collaboration. According to Gao Tianming, a leading expert on Sino-Russian cooperation on the Polar Silk Road from Harbin Engineering University, "even if the Northern Sea Route eventually transpires in the future, it will still be a supplement to the current traditional shipping route rather than its replacement or an alternative."<sup>48</sup> In the immediate future, the Northern Sea Route is not yet regarded as an economically viable and practical endeavor. The practical constraints have greatly affected and reduced the shipping capacity of the Northern Sea Route. Given this reality, a Chinese government scholar contends that it is "impossible for China to make the initial investment to prop up the development of the whole Northern Sea Route" and therefore, "China has chosen to maintain a 'wait and see' attitude towards the Northern Sea Route."<sup>49</sup>

### 3. Development of the Northern Sea Route: China's Projects (or Lack of)

The best assessment of China's commitment to the development of the Northern Sea Route lies in the projects the Chinese have engaged in, rather than those in which interest has been expressed. The most concrete project of Sino-Russian cooperation in the Arctic region has been on energy development, not shipping lane development. In 2013, CNPC purchased a 20% stake of the Yamal LNG Company from

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<sup>45</sup> Gao Shilong, Liu Jiazhao, Zhang Xiao. "Assessment of the Economic Feasibility of Commercial Shipping through the Arctic in the Context of the Polar Silk Road." *Practice in Foreign Economic Relations and Trade*, 2018-01-006, 28.

<sup>46</sup> Xu. "An Analysis on the Prospect of Integrating..." 89.

<sup>47</sup> Gao Tianming et al. 78-79.

<sup>48</sup> *Ibid.* 71.

<sup>49</sup> Xu. "An Analysis on the Prospect of Integrating..." 89.

Russian independent gas producer Novatek. In December 2015, the Chinese Silk Road Fund obtained another 9.9% of the project from Novatek, making China the second largest shareholder (the French company TOTAL being the smallest stakeholder with 20% stake). The cooperation framework in the Chinese interpretation is one where Russia chairs the project development, France provides technology and consultation, and China provides funding and equipment. The first of the three trains for this project became operational in December of 2017, with the LNG it produced being exported to China.<sup>50</sup> In 2017, Novatek is reported to have signed new agreements with CNPC and China Development Bank for the Arctic LNG 2 project.<sup>51</sup> Construction is expected to begin in 2019 and become operational by 2023. The LNG produced by both Yamal and Arctic LNG 2 will be exported through the Northern Sea Route.

However, bilateral cooperation on specific Northern Sea Route development projects, especially on infrastructure, has been scarce. Indeed, the difference in attitudes toward the Northern Sea Route and other Russian proposals on infrastructure is significant. According to President Xi's written interview with Russian media before his 2017 state visit to Russia, it was made clear that while the Chinese "*welcome and are willing to jointly develop and build the Primorye International Transport Corridor proposed by Russia,*" they "*may also make joint efforts to develop and utilize maritime passageways, particularly the Northern Sea Route, in order to realize a 'Silk Road on ice'*" (emphasis added).<sup>52</sup> The level of commitment and determination to the joint development of the Northern Sea Route is categorically lower than to the Primorye International Transport Corridor. While China and Russia had signed an MOU for further specific research and study of the Corridor,<sup>53</sup> no such formal agreement exists on the development of the Northern Sea Route.

At a micro level, Chinese interests have been reported regarding two Russian ports in the past two years. China's state-owned Poly Group signed an initial agreement with Russia on the construction of the Arkhangelsk deep-sea port in October 2016, which is presumably associated with the Belkomur railway project the Poly Group allegedly had signed one year earlier.<sup>54</sup> During the Arctic Forum held at Arkhangelsk in March 2017, the Poly Group reportedly proposed railway and port investment plans that amount to 5.5 billion USD.<sup>55</sup> Russian media also widely reported a visit to the Murmansk by the Deputy General Manager of Poly during the same trip to study the prospect for investment. Nevertheless, it has been Russian officials and media that enthusiastically publicized Poly's interests in Murmansk port and its

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<sup>50</sup> Wang Jinlong. "China-Russia Yamal project put into operation, an annual increase of 4 million tons of LNG solution to 'gas shortage.'" China Business, December 9, 2017. Assessed November 27, 2018. <https://www.jiemian.com/article/1804472.html>.

<sup>51</sup> Marex. "Novatek Signs Chinese Deals for Arctic KNG2." The Maritime Executive, November 4, 2018. Accessed November 27, 2018. <https://www.maritime-executive.com/article/novatek-signs-chinese-deals-for-arctic-lng-2#gs.OOR1Jao>.

<sup>52</sup> "Xin Jinping's interview with Russian Media." Xinhua, August 18, 2017. Accessed November 27, 2018. [http://www.china.org.cn/chinese/2017-08/18/content\\_41407366.htm](http://www.china.org.cn/chinese/2017-08/18/content_41407366.htm).

<sup>53</sup> "Signed a cooperation agreement with the Russian Far East Development Department on the Coastal Traffic Corridor." National Development and Reform Commission. Accessed November 27, 2018. [http://wss.ndrc.gov.cn/gjhz/ozfx/201707/t20170706\\_897901.html](http://wss.ndrc.gov.cn/gjhz/ozfx/201707/t20170706_897901.html).

<sup>54</sup> "China and Russia cooperate on Arctic ports." Translated by Zong Zihan. Global Trade, January 20, 2018. Accessed November 27, 2018. <http://www.polaroceanportal.com/article/1923>.

<sup>55</sup> Ibid.

potential to commit to a \$300 million investment in its infrastructure as the “most likely investor for the Murmansk coal port project.”<sup>56</sup>

It should be noted that the Russian side appears much more eager in publicizing this type of cooperation, even though most of them merely reflected China’s potential interests rather than confirmed investment. For example, on the agreement over the Belkomur railway, only the Poly Group accurately reported that Poly will only function as the EPC (Engineering, Procurement and Construction) contractor while the financing model would take the form of a Private-Public Partnership.<sup>57</sup> In other words, the specific financing plan was far from being set in stone, and Poly signed on as the contractor rather than the financier. In the case of Murmansk, despite all the earlier reports, as of February 2018, its governor candidly acknowledged that Murmansk is still in the stage of trying to “attract more Chinese investors in port development.”<sup>58</sup> In both cases, nothing remotely confirms a signed agreement over the development, financing, or construction of the infrastructure projects. Beijing may have shown interest in potential cooperation, but real action has yet to be taken.

#### 4. Development of the Northern Sea Route: China’s Calculations

It may seem that Russia’s massive need for investment and development of the Northern Sea Route and China’s abundant supply of financial resources and infrastructure construction capacity throughout the Belt and Road Initiative form a perfect match for each other. However, due to the aforementioned constraints and additional costs associated with the Northern Sea Route as a viable and reliable shipping lane, China is much more cautious about infrastructure development along the Northern Sea Route than Russia would like to see. In the Chinese view, the Russian proposal for China to invest in the Northern Sea Route could only be made viable and desirable for China by Russian strategic and business concessions. Yet to date, China believes that Moscow has demonstrated little sincerity or flexibility in terms of improving China’s cost-benefit spreadsheet.

China sees Russia as unwilling to surrender or concede its absolute dominance in the development of the Northern Sea Route. The Russian insistence on such dominance as the de facto administrator of the Northern Sea Route is inconsistent with the compromises China would need as the developer, the client and the potential financier. China perceives a strong element of exclusivity and expansionism in Russia’s Arctic strategy, which is manifested in areas including security, resource development, fishing, and the utilization of the Northern Sea Route.<sup>59</sup> Such a dominance and the “concept dividends” Russia had portrayed prior to the bursting of what the Chinese see as an Arctic shipping bubble are far from being sufficiently appealing to attract Chinese investment at this stage.

China’s Arctic policy community does acknowledge certain “selective compromises” Russia has made in recent years to attract more foreign investment for the development of its Arctic region. One example is

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<sup>56</sup> “Russian media: Poly may invest 300 million US dollars to build the port of Murmansk, Russia.” Guancha, March 11, 2017. Accessed November 26, 2018. [https://www.guancha.cn/Neighbors/2017\\_03\\_11\\_398215.shtml](https://www.guancha.cn/Neighbors/2017_03_11_398215.shtml).

<sup>57</sup> “Poly Technology and Russia Successfully Signed the Belkam Railway Integrated Project Agreement.” Poly Technology, September 15, 2015. Accessed November 26, 2018. <http://www.poly.com.cn/s/1077-3819-3628.html>.

<sup>58</sup> Ren Jun. “‘The Silk Road on Ice’ Injects New Momentum into the Development of the Arctic – Interview with Governor of the Murmansk Region of Russia.” Xinhua, February 17, 2018. Accessed November 26, 2018. [http://www.xinhuanet.com/2018-02/17/c\\_129813501.htm](http://www.xinhuanet.com/2018-02/17/c_129813501.htm).

<sup>59</sup> Zhao Long. “On the Governance path of Russia to the Northern Sea Route and assessment of its future development.” *World Regional Studies*, 2016, 25 (2): 6.

the relaxing of certain stringent navigation requirements inherited from the Soviet Union, especially for the mandatory use of Russian icebreakers and pilotages as well as the reduction of service fees.<sup>60</sup> For China, this easing of measures reflects Russia's innate desire to generate more economic utility and profitability from the Northern Sea Route. Another key example is the Russian government's concession on the restrictions on Yamal LNG projects by issuing Novatek an export license and allowing the Chinese to purchase a total of 29.9% of the ownership. As a part of the Russian commitment to the Yamal project, the Russian government fully funded the Sabetta port designed to serve Yamal LNG shipments. These concessions in the Chinese view were indispensable for the success of the Yamal project.<sup>61</sup>

However, such concessions and flexibility are not evident in other joint development projects between China and Russia. Typically, joint projects between these two partners are famous for lengthy negotiations and long periods of stagnation and dormancy after an agreement for cooperation is announced. Across other jointly-facilitated projects such as oil and gas pipelines and highspeed railways, Russia has cultivated a reputation in China for its tough negotiation in terms of project ownership, financing schemes, and local job creation. Although the Russia-funded Sabetta port made the Yamal project possible, it also reveals the Russian reluctance to let China in on the strategically-located infrastructure project. This is particularly true in today's context given China's reputation as a power that ensnares developing countries in a "debt trap" within its "port diplomacy": using Chinese financing to trap other countries into handing over their ports, with key examples including Sri Lanka, Pakistan, and Myanmar.

For China, to make its investment worthwhile, something must give. While China does not expect Russia to surrender the operational and administrative control of its ports to China, it does expect "proper compensation" as the largest cooperation partner and client of those ports.<sup>62</sup> Other circulated proposals cover the convenience and support Russia could provide for China's usage of the Northern Sea Route, including the reduction or elimination of tolls, pilotage fees, and port fees for Chinese ships; priority icebreaker services for Chinese vessels; and technical assistance to China's own development of icebreakers.<sup>63</sup>

Besides the economic calculation, China's practical consideration for the Northern Sea Route also extends well into the political realm. The legal status of the Northern Sea Route has been an issue of international debate for decades. Russia legally defines its rights over the Northern Sea Route as "the historical national unified transport line of communication of the Russian Federation in the Arctic."<sup>64</sup> While it imposes its sovereignty and authority over the ships that use/traverse the Northern Sea Route, such an imposition is greatly disputed by other countries, not least of which is the United States. Although Chinese analysts would like to propose that China should avoid taking sides in Russia's sovereignty and administrative claims on the Northern Sea Route, the fact remains that China's bilateral cooperation with Russia over the

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<sup>60</sup> Jiang Wei and Feng Jingyu. "Russia's attitude shifts: Arctic northeast shipping turns from anticipation into reality." 21Jingji, July 29, 2014. Accessed November 27, 2018.

<http://business.sohu.com/20140729/n402838361.shtml>.

<sup>61</sup> Chong Hua. "Exploring Yamal personally: the super project that lets China use the Arctic gas." Yicai, January 12, 2017. Accessed November 27, 2018. <https://www.yicai.com/news/5204254.html>.

<sup>62</sup> Li Zhenfu. "How does China and Russia carry out cooperation on the Arctic route?" China Ship Survey, No. 12 (2016): 35.

<sup>63</sup> Ibid.

<sup>64</sup> United Nations. "Federal Act on the internal maritime waters, territorial sea and contiguous zone of the Russian Federation (1)." [http://www.un.org/Depts/los/LEGISLATIONANDTREATIES/PDFFILES/RUS\\_1998\\_Act\\_TS.pdf](http://www.un.org/Depts/los/LEGISLATIONANDTREATIES/PDFFILES/RUS_1998_Act_TS.pdf).

Northern Sea Route in accordance with Russian domestic legislation will be seen as an endorsement or support of the Russian claims. The perception of Sino-Russian cooperation on monopolizing the Arctic Northern Sea Route could translate into geopolitical acts of balancing and counterbalancing, raising Western anxiety regarding Beijing and Moscow's bilateral cooperation.<sup>65</sup>

Related to this, an additional negative byproduct of Sino-Russian cooperation on the Northern Sea Route goes further south. That is, it could undermine China's positions in its own maritime disputes, such as in the South China Sea where China opposes other claimant countries' joint development with companies from a third country, including those from Russia.<sup>66</sup> An effective and sensible counterargument would be from the perspective of Sino-Russian political alignment and solidarity. In 2016, Russia provided China with the much-needed support and endorsement of China's position after the embarrassing ruling against China regarding its South China Sea claims by an international arbitral tribunal.<sup>67</sup> Russia's support was not only verbal, but also tangible, bringing to reality an unprecedented joint military exercise with China in the South China Sea within two months of the ruling.

Regardless of the political implications of sovereignty and maritime claims, in terms of the Arctic region, China would like to see strengthened and broadened Russian support of China's increasing role in Arctic affairs and of its voice and agenda at the Arctic Council. In exchange for those benefits, China stays engaged and explores the potentials in the development of the Northern Sea Route. However, there appears to be a ceiling to the Russian comfort level regarding China's expansion of influence in the Arctic, and another ceiling to the Chinese tolerance regarding the Russian lack of concessions to make the Chinese efforts economically practical and strategically worthwhile.

### A Look Ahead

Although the Chinese are fond of optimistically discussing the potential for Sino-Russian cooperation on the Northern Sea Route, they have been unable to reach an optimistic conclusion for its viability, feasibility, and practicality.<sup>68</sup> China and Russia have identified their converging interests in such cooperation. However, their diverging interests, especially over what constitutes mutually beneficial compromises, will be the biggest obstacle to future progress. China's view of the economic practicality of the Northern Sea Route remains a lofty future ambition that is steeped in hopes of the project's potential. In the best-case scenario, few Chinese experts see the Northern Sea Route as a viable substitute/alternative to traditional shipping routes. Instead, the Northern Sea Route is seen primarily as a potential supplement. The unfavorable assessment of the economic practicality of the Northern Sea Route underscores the fact that there has been more discussion about development than actual projects on the ground.

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<sup>65</sup> Zhao. "China-Russia Arctic Sustainable Development Cooperation..." 8.

<sup>66</sup> Liu Xinyu. "Beijing publicly criticized Russia for mining oil in the South China Sea." RFA, May 21, 2018. Accessed November 27, 2018. <https://www.rfa.org/mandarin/yataibaodao/junshiwaijiao/lxy-05212018100609.html>.

Wang Zhimin and Chen Yuanhang. "China and Russia's Collaboration in Constructing the Supraglacial Silk Road: Opportunities and Challenges." *Northeast Asia Forum*, No. 2 (2018): 26.

<sup>67</sup> "Russia Supports China's Stance on the South China Sea." Sputnik News, May 9, 2016. Accessed December 3, 2018. <https://sputniknews.com/world/201609051044988523-russia-china-putin/>

<sup>68</sup> Zhu Xianping and Zhang Yifu. "Carrying out the Spirit of the 19<sup>th</sup> National Congress of CPC and Constructing the Supraglacial Silk Road: Editor's Note of the 'Supraglacial Silk Road' Academic Conference Co-hosted by Jilin University and Russian Academy of Military Science." *Northeast Asia Forum*, No. 2 (2018): 4.

China has demonstrated greater interest in other areas of infrastructure cooperation, such as on the Primorye International Transportation Corridor and energy development projects. However, interest regarding joint development of the Northern Sea Route has been markedly less impressive or present. China's apparent enthusiasm on Northern Sea Route cooperation with Russia is motivated primarily by political and strategic considerations. Cooperation helps to pave China's entry into the otherwise relatively exclusive Arctic region and affords China an advantaged and prioritized position in the projects for which Russia is accepting or seeking international cooperation. Russia's options for other international partners might expand after international sanctions are lifted and/or if the United States identifies China as the biggest threat and Russia as a partner in the Sino-U.S.-Russian strategic triangle. However, such hypotheticals do not appear to be coming to fruition anytime soon.

### About the Author

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