

China's foray into the Arctic region

China's 360-degree hunt for resources and new trade routes has become unrelenting, undeterred by obstacles posed by geography, politics or technology. Its sharp focus on the Arctic — a vast area of unending snow, which is pitch dark for half a year and is known for its surreal 'white nights' for the rest — reveals Beijing's unbending spirit to prevail against all odds.

The unintended consequences of climate change have reinforced Beijing's interest in the Arctic. Rising temperatures are melting some of the thick sheets of ice of the Arctic Ocean. That, in turn, is opening channels through which ice-breaking ships can pass. Once it becomes navigable, commercial ships will be able to plough through the Arctic, opening shorter shipping routes. The 'northeast passage' will open up towards Europe, while the 'northwest passage' will head towards the U.S. and Canada.

China's obsession with becoming a leading, and advanced, industrial heavyweight is also motoring Beijing towards the Arctic. It is estimated that beneath the windswept layers of ice, highly prized reservoirs of minerals exist — necessary for fuelling China's long game towards global pre-eminence.

Geologists say the Arctic possesses 30% of the world's undiscovered natural gas and 13% of its undiscovered oil reserves. But no one can really quantify how much the global "undiscovered" reserves are. That makes it hard to fathom with exactitude the size of the energy deposits of the Arctic.

In a white paper released in January, China announced that it will develop a Polar Silk Road (PSR). This would be another spur of its ever-mutating Belt and Road Initiative (BRI) — an ambitious undertaking of industrialising Eurasia through massive development of infrastructure and the provisioning of a dense network of trans-continental connectivity. Displaying its warm embrace of the digital economy, demonstrated by the rise of the global e-commerce giant Alibaba, or Wechat, China is focusing on cyber-connectivity while putting together its PSR.

China's Ministry of Industry and Information Technology and state-owned China Telecom are participating in talks to build a 10,500 km fibre-optic undersea link across the Arctic Circle. The proposal also involves Finland, Japan, Russia and Norway as partners in this undertaking. The enterprise, called the Northeast Passage Cable Project, will provide China a new high-speed digital traffic link with European financial and data hubs.

Russia's role

Russia is key to China's success in the Arctic. 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. Unsurprisingly, the state-owned behemoth China Development Bank is set to invest in the Russian energy company Novatek, which 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, *South China Morning Post* reported. Beijing's forays in the Arctic are a result of its long-term planning. China has invested in Iceland following the 2008 financial crisis. Eight years later, Chinese company Shenghe Resources purchased 12.5% of Greenland Minerals and Energy. China has also signalled its interest in two Iceland ports, as well as Norway's Arctic Kirkenes port, as part of its deeper engagement with the

Arctic.

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