



HOUSE OF LORDS

International Relations and Defence Committee

Corrected oral evidence: The Arctic

Wednesday 14 June 2023

10.40 am

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Members present: Lord Ashton of Hyde (The Chair); Lord Anderson of Swansea; Baroness Coussins; Baroness Morris of Bolton; Lord Robertson of Port Ellen; Lord Soames of Fletching; Lord Stirrup; Lord Teverson; Lord Wood of Anfield.

Evidence Session No. 8

Heard in Public

Questions 93 - 104

Witnesses

I: Dr Gørild Heggelund, Research Professor, Fridtjof Nansen Institute; and Dr Marc Lanteigne, Associate Professor, University of Tromsø.

Examination of witnesses

Dr Gørild Heggelund and Dr Marc Lanteigne.

Q93 The Chair: This is the eighth public evidence session that we are having and today we are going to approach China's influence and approaches to the Arctic. It is very kind of you to come and help us with that. This is a public session. It is streamed live on Parliament TV. A transcript will be taken and we will send you a copy of that transcript to make sure that you are happy with it after we have finished. Can I remind members that if they have any interests pertinent to the inquiry to declare them when they first speak? It would very helpful when witnesses answer the first question if they would just briefly introduce themselves with a little bit of background.

I will start the session with a bit of background on China and its relationship to the Arctic. Could you outline briefly what China's key interests and priorities are? We note that China produced an Arctic policy paper in 2018 and we wondered whether that was an indication that they had taken more interest in the Arctic. In it, they referred to China becoming a "polar great power" by 2030, and we wondered what was meant by that. Perhaps we could start with Dr Heggelund.

Dr Gørild Heggelund: First, thank you very much for the opportunity to contribute to the Arctic inquiry on China and the Arctic. I shall say just a few words about myself. I am a research professor at the Fridtjof Nansen Institute in Norway and my work at the FNI—as it is called, shortened—is to understand China's domestic policies and development in energy, environment and climate change, including in the Arctic, and how these domestic policies play into and form China's foreign policy, including in the Arctic. I have lived many years in China and use Chinese-language documents. We go to the source.

China's interests in the Arctic have increased in the past 10 years or so. The assessment of China's entry as an actor in the Arctic has been quite mixed, especially because of China's reference to itself as a "near-Arctic state", which has caused a lot of speculation about what China's ambition and strategies are in the Arctic, also in terms of foreign policy and security policy.

You mentioned the White Paper, the Arctic policy of China that was issued in 2018. It basically maintains the previously articulated interests and priorities of China in the Arctic. It did not come up with any fundamentally new positions or priorities. It largely summarises China's Arctic interests and positions for its engagement in the Arctic, and draws a more coherent picture of China's interests in the region.

What are the interests in the Arctic that they emphasise? The White Paper emphasises the need to protect the Arctic environment and climate system, and of course there are many other things that are mentioned: shipping, resources—all those matters are also of interest to China in the Arctic. This forms the backdrop for China in the Arctic.

I think becoming a “great polar power”—which I think was first mentioned by Xi Jinping in 2014—would refer to China building up its knowledge and understanding of the Arctic, especially analysis of the impacts of the polar regions on climate change, and of course interests in the extent of polar oil, natural gas and other natural resources and how they could be useful to China in the future. It would refer also to China expanding its expression in the Arctic, particularly through scientific activities, and of course China wants to engage in polar governance in the Arctic. These are, basically, China’s interests in the Arctic and what I think they mean by becoming a great polar power.

Dr Marc Lanteigne: Thank you. Just to quickly introduce myself, I am an associate professor of political science at the University of Tromsø, the Arctic University of Norway, and my research and teaching looks specifically at Chinese politics and foreign policy, as well as greater east Asia and the polar regions. I have also had the opportunity to work in New Zealand, where I was working on Antarctic affairs. It has been very interesting looking at a comparison between the two poles. Finally, I also edit a news blog about Arctic affairs called “Over the Circle”, so I have had the opportunity to look at the Arctic from many different angles.

I would say, to add to the excellent points already made, that China’s focus on the Arctic has definitely started to distribute itself in three distinct ways. The first point—and this is what is usually brought forward when a Chinese official or specialist is asked about the Arctic—is that they are very interested in science and very interested in scientific co-operation, especially in regard to how changes in the Arctic are going to affect China itself, everything from changed weather in the country to changed pollution patterns and how this is eventually going to affect the Chinese economy in the future.

China over the past few years, and this definitely came up in the 2018 White Paper, has sought many opportunities to co-operate with Arctic states in the area of scientific research but, as many have noted, this has also presented a bit of a strategic challenge out of concerns about where the data is going. Could they have a potential dual use capability?

The second point, as was noted, is that China very much sees the Arctic as an area of economic opportunity. Now, while the White Paper stressed that no non-Arctic state has the right to claim sovereignty in the Arctic, the paper also said that non-Arctic states do have the right and the capability to engage in various economic enterprises: as was noted, shipping, mineral resources, tourism, fishing and all that. What China has been trying to do, especially over the past decade, is look for economic opportunities, especially when we are dealing with the considerable opening up of the region to all kinds of resource extraction and shipping.

The third point is governance. What is happening right now in the Arctic is that we are seeing many countries, not just China, step forward and say, “We’re not an Arctic state but we very much see ourselves as Arctic stakeholders”. Certainly, the United Kingdom is present there. I would point to Japan, Germany, Korea and even Singapore. Over the past few

years, they have all said, "We want a bigger say in what is happening in the region".

China has been a participant as a formal observer in the Arctic Council since 2013. It has also been interested in other areas of governance such as the Polar Code and the recent moratorium on fishing in the central Arctic. With the difficult situation facing the Arctic Council now, Beijing has stressed on many occasions that it stills wants to be very much involved in the region, especially as it grows in international importance.

The idea of China as a polar great power has to be looked at a little bit carefully because in the initial terminology that Xi Jinping used when talking about "polar great power", "jidi qiangguo", the term "power" is somewhat ambiguous. Certainly, it can and has been interpreted as "might" and it has been taken as having a military aspect but, as was noted, there was also an emphasis on gaining knowledge in the region.

China is still a relative newcomer to the Arctic, even compared to other non-Arctic states in Europe and Asia. It has had a great deal of catching up to do in comparison. The discussion about "polar great power" very much reflects this knowledge gap that China has been trying to fill and this has become much more difficult in the current geostrategic situation, especially with the worsened relations between the West and Russia. That is my summary take on this.

Q94 The Chair: Thank you very much. I want to follow up on one thing. You talked about dual use capability and strategic investments—we have heard a lot about that—but could the West not be accused of exactly the same thing? A lot of these things have dual use, potentially.

Dr Marc Lanteigne: Precisely. What makes China very distinct in this regard is the nature of its Government and sometimes the lack of clarity about where some of the scientific data is going, but certainly any country has the potential to take data on the Arctic and use it for either civilian or military purposes. This is not a big surprise.

With the debate going on right now about what China's future roles are in the Arctic, the dual use question has definitely become more distinct, especially, for example, as China has been engaged and very interested in icebreaker missions in the far north and data collection about emerging sea routes. That is just one area where there have been debates over where that data is going. I should also quickly point out that China has been very interested in the polar regions for space purposes, for monitoring and satellite tracking, which raises similar concerns.

The Chair: Yes, exactly. Thank you.

Q95 Lord Robertson of Port Ellen: Just a brief question. I have to say that I am an adviser to BP and to Agile Spray Response Ltd.

I wanted to follow up on what you said because some evidence that we have received suggests that the external view that is expressed by China is different to the one that is expressed internally. The Chinese language

talks much more in terms of strategic importance of the Arctic, whereas the English translation sounds much more benign. As a Chinese speaker, do you notice that difference?

Dr Marc Lanteigne: Yes. It is a very good point. I would say that there have been variations in language when looking at several areas of Chinese foreign and defence policy, and the Arctic is not an exception. I noted the ambiguity of the term “polar great power”. It certainly could be interpreted in different ways.

I would put out another example. Since about 2010, there have been discussions in both Chinese academia and Chinese policy about China being a near-Arctic state. This has been interpreted in several different ways. If you look at some of the academic literature that came out over the past decade, it tends to reflect more along the lines of not China trying to challenge the status quo but, rather, China seeing the Arctic as an area of concern because of climate change and environmental concerns. The idea of “near-Arctic” means “we are being affected by the Arctic, regardless of geography, so we need to get there to find out more about what is going on”.

I would completely agree that there are quite a few examples of ambiguity that could be traced when looking at Chinese-language papers versus what we see externally.

The Chair: Thank you very much. That is a very good start.

Q96 **Baroness Coussins:** You refer to China as a relative newcomer to the Arctic, but it was nearly 20 years ago that China opened its Arctic Yellow River Station on Svalbard. Could you say whether, over that period, there have been any significant outcomes or contributions from Chinese scientific research, and to what extent there has been co-operation on Arctic scientific research with other near-Arctic or actual Arctic states? In other words, how genuine is the scientific expertise that China has been developing over the last nearly 20 years?

Dr Marc Lanteigne: Very good questions, thank you. First, yes, I talk about China as a relative newcomer in relation, for example, to many countries in Europe—and I would certainly add the UK to the list—which have a bit of a longer history of both exploration and scientific development in the region. China, I would agree, has had only about 20 to 30 years to establish a very strong scientific foundation in the region. It has been engaging in polar research but even now a vast majority of its research has focused primarily on Antarctica, although the balance has started to shift quite a bit over the past decade, to be sure.

The Yellow River Station in Svalbard is a crucial part of China’s scientific footprint in the region. It has been engaged in several different research areas and China has made it quite clear that it does want to co-operate with other Arctic states in developing further scientific studies, with the argument that when it comes to Arctic climate change we are all in this together.

There have been other recent endeavours. China was involved with the MOSAiC “Polarstern” ship tour in the central Arctic, along with the United Kingdom and several other countries. China has also made it clear on several occasions that it wants the opportunity to share and co-develop scientific expertise with other states.

That said, there have been some problems, going back to what I said before about dual use. The more difficult relations between the West and China have certainly hampered the possibility of scientific co-operation, and of course we cannot omit the fact that Covid has slowed down possibilities for scientific co-operation as well.

Dr Gørild Heggelund: I agree very much with what Marc was saying. Looking back on China’s Arctic research experience, China’s official research programme on the Arctic was formally established in 1989, so it has been there for some time. That was when its Polar Research Institute was founded, which was a research arm for the Chinese Arctic and Antarctic Administration, and then there was an advisory committee for polar research set up in 1994 by the Ministry of Science and Technology. So there has been some preparation for China in Arctic research.

There have been several expeditions with the “Xuelong”, the “Snow Dragon”, with maybe 12 or 13 expeditions to the Arctic—more to the Antarctic, as Marc pointed out, but increasingly also to the Arctic—and there is also some collaboration between Chinese scientists and international scientists.

In 2013, when China was admitted as an observer state to the Arctic Council, CNARC, the China-Nordic Arctic Research Center, was established. This is a platform for exchange of information and sometimes one can initiate collaboration between Nordic and Chinese experts. I do not know if one would say that China’s experience now in Arctic research is substantial, but at least it has reached a higher level than previously, as Marc pointed out as well.

Q97 **Lord Teverson:** Very interesting so far. Staying on natural resources and China’s investment there, as I understand it, it has previously or is in the process of investing in a very large LNG facility in the Yamal peninsula. I had to look up where that was. It is a pretty remote area. I understand that development of that has paused at the moment because of the concern of China around Russian sanctions. I would be interested to hear how you think the western sanctions regime has affected investment from China in the Russian part of the Arctic in particular. How dependent is China’s economy and future on the Arctic, and does it have the same environmental standards as others or are those in effect determined by national regulations anyway?

Dr Marc Lanteigne: Very good questions. Obviously, China has been very concerned about noting the growing economic potential of the Arctic over the past decade. There have been discussions about co-operation in oil and gas—as you correctly point out—and there been a lot of discussion about mining in Greenland and potentially in other parts of the Arctic.

However, since China and Russia announced what was set up to be the northern tier of the belt and road project—I am talking about the Polar Silk Road—with a lot of very ambitious plans put forward by Beijing to involve pretty much the entire Arctic region in all of those areas, very few of those have come to fruition. If we look at the current state of the Polar Silk Road, with very few exceptions, we see that much of it is centred on Russia.

Since the invasion of Ukraine, this has put China in a very difficult position in regards to how it is able to engage Russia economically. Some areas have not been affected to a great degree. China is still purchasing fossil fuel from Russia at discounted rates. That has not stopped. There has been further discussion about Chinese investment in Siberia and the Russian Far East.

As you note, there have also been some very erratic pauses that we have seen in China's support for both the Yamal and various other natural gas projects—for example, Power of Siberia—and that reflects the nervousness of some Chinese corporations about being affected by western sanctions for demonstrating economic support for Russia. Another glaring point to be noted is that, over the past year and a half, the number of Chinese vessels that have used the Northern Sea Route for shipping has dropped to zero, and that again reflects concerns about the sanctions regime.

Of the many other projects that China put forward five or seven years ago, including potentially a railway project up here in northern Norway or port facilities in Iceland, none have come to fruition. Some of these have been due to cost issues and political pressure—concerns that these projects may not pay for themselves and will become giant debt traps—and some have definitely reflected strategic concerns.

I would point to, for example, China's plans to develop mining in Greenland. This has caused great concern not only in the Danish Government but the American Government as well. Even though Beijing has tried over the past decade to draw a distinction between its economic interests and any strategic areas, the two have collided multiple times.

Lord Teverson: Can I come back, just before Dr Heggelund comes in? Are any of those investments looking for, say, what we would see in the West as rare minerals or strategic minerals that China does not have? Usually the problem is the opposite way around. Are some of these important in China's supply chain? If that is the case, do we have to worry about it? Surely, at the end of the day, national sovereign Governments can stop that exploitation if there is a problem, if you see what I mean.

Dr Marc Lanteigne: Yes. Thank you, excellent point. This has definitely been the case, for example, in Greenland. There was a plan to develop a mine in southern Greenland at Kuannersuit, which would involve rare earths, uranium and other metals. This was halted by the Greenlandic Government out of environmental concerns.

This certainly caused great discussion because, on one hand, Chinese firms have a great deal of experience in mining rare earths, but on the other hand, because China has had a considerable influence over rare earth trade and with all the discussion going on right now about strategic materials, this is causing a lot of worry. It goes back to concerns about China's investment in various parts of the world in the areas of cobalt, nickel and lithium. The concern that Chinese companies are in a very dominant position when it comes to mining these particular strategic materials has definitely come to the Arctic as well. What is happening right now with Greenland is that the United States, Britain and other countries are starting to say, "We should be paying more attention to what is happening in Greenland because of its mineral wealth and rare earth potential".

Lord Teverson: Thank you, Dr Heggelund, any thoughts, particularly around the environment area or environmental controls?

Dr Gørild Heggelund: Thank you very much. I think Marc has covered quite a bit, but I would like to say that from our research on China and the Arctic we basically see that China's most concrete activities are mainly in three areas. One is in scientific research, which includes the environment, of course: the environment in the Arctic, climate change in the Arctic and how that influences China's climate change as well. China has become increasingly concerned about climatic changes in China and how vulnerable it is. It sees many of these environmental challenges in the Arctic as also influencing China.

There are some common interests and ambitions related to the environment in China. We see, for instance, China's engagement in the Arctic Council and the working groups where they work on, for instance, mercury in the Arctic, which also relates to China's domestic priorities on mercury and black carbon—short-lived climate pollutants. All these very important environmental challenges in the Arctic are also important for China. I think we can see very good synergies, actually, between China's domestic policies and interests and what is happening in the Arctic. That is one point.

A second point is, of course, as mentioned, shipping. To date, 25 transits stand as the largest number of transits in any single year of the Northern Sea Route. It is not a big thing yet, the shipping in the Arctic for China. As Marc mentioned, in 2022 there were no transits at all of the Northern Sea Route, but destination shipping is different. That goes back and forth to Yamal, taking LNG out of Yamal, and that is very different from the transit shipping.

With regard to energy, of course the co-operation in Yamal is important for China for LNG. China has invested in Yamal LNG—30% ownership—and owns tankers that transport LNG from Yamal. There are some interests there. In LNG 2 I think we have seen some difficulties because of the crisis—Russia's invasion of Ukraine. China has also been indirectly affected by the sanctions because Chinese shipyards were building LNG modules for Novatek in Arctic LNG 2. There have been some uncertainties

there regarding whether it was possible for China to deliver those modules. They have been indirectly affected by the sanctions on Russia.

The Chair: Thank you. I think Lord Stirrup was going to ask about shipping, which you have partly covered. Do you want to follow up?

Q98 **Lord Stirrup:** Yes. We have eaten some of the sandwiches already but let me return to the issue because both of you have pointed out the contrast between the rhetoric over the Polar Silk Road and the fact that this year, for example, there have been no transits by Chinese shipping companies. You have also pointed out the tensions between the strategic aspirations of China and the economic realities in the context of the Ukraine war. I think we just need to be a bit careful that we do not get too caught up on the here and now, or even the next two, three, four or five years. We need to be thinking 10, 20 or 30 years into the future on this.

What I would ask you is: are we seeing a real illustration of what the future is going to be like, or are we seeing a hiatus caused by the current international situation? Is the Chinese aspiration for a Polar Silk Road real and are they just—as they do so well and we do so badly—playing the long game and waiting for the appropriate moment? If they are and if we can look forward to continued participation of Chinese companies in Arctic shipping, what you think the balance will be between transit shipping and destination shipping?

Some of our witnesses have already said that really it is all about destination shipping and not much about transit, but of course one of the key concerns for the UK will be if we see a great string of Chinese factory trawlers going backwards and forwards across the pole into the north Atlantic fishing grounds, which would have a huge ecological and economic impact on us and on other nations. You have also, of course, talked about Greenland. If that emerges as strategically important in the future because of resources, then again that polar transit route might become extremely important. I wonder if you could just have a stab—I know we are all guessing here but yours is a more educated guess than ours—at what the future might look like, outwith the current context of the Ukraine conflict.

Dr Marc Lanteigne: One thing to keep in mind when we talk about the long game is that I would say that China is certainly interested in maintaining the development of the Polar Silk Road over the next few decades. It has made that quite clear in its White Paper. One point in the paper that really jumped out at me when it was first published was the idea that China had identified the Northern Sea Route—that is the one north of Siberia that connects north-east Asia and Europe—the Northwest Passage in the Canadian Arctic, but also the central Arctic route, which as of now does not really exist except under very controlled circumstances.

We have seen multiple studies, including one very recently, which suggest that the central Arctic will be ice-free in the summer as early as 15 years from now, and Beijing has made it quite clear that it wants to take advantage of that opportunity for transit when circumstances

permit. Certainly, this is a case of a long game, and it is also a case of China wanting to make more extensive use of the Arctic, not as a primary shipping route—I do not see that happening—but certainly as a secondary one for very specialised cargo transfer.

What happens next is going to be based very much on what happens with the relationship between China and Russia, which is a whole other paragraph right there, but also on the development of other Arctic resources and how long those take to actually develop. If we start to see, for example, large-scale mining in Greenland in the future, if there are policy changes that allow for that, certainly China wants to be involved there. If we start to see, for example, a greater number of fishing vessels and various other civilian vessels wanting to make use of the central Arctic as well, that is certainly going to affect the situation and it certainly will be involved.

Much is going to depend on how international law is able to stand up to the changed environmental situation in the region, and how well the Arctic states will be able to co-operate in order to ensure that their particular interests are met, especially in light of the fact that many non-Arctic states are also saying, “Well, we’d like greater participation in economic development in the far north”.

Dr Gørild Heggelund: If we look back a little bit to the Polar Silk Road, we see that it was included in the belt and road initiative in 2017. This was a suggestion by the Russians. It was a Russian concept at the time, and China responded positively to that and expressed support for Russia’s proposal. This of course created a hype around shipping routes in the Arctic reflected in academic articles that China pushed a Polar Silk Road. There were high expectations for shipping, and high expectations for large-scale Chinese investment in the Northern Sea Route.

This has not really materialised. There are many reasons for this. You asked about Russia and China as well. Of course, China has the funding, the money and the technology and Russia would be happy to have investments in their ports along the Northern Sea Route. This has been very moderate for the time being.

I emphasise that my conclusions so far are based on the current situation. We have not looked that far into the future but, of course, a little bit with regard to the Polar Silk Road, because we think it is a long-term strategy for China. It is not happening very quickly. It is a slow process, and some of the reasons why we think this is that China has different policies and plans and five-year plans for different sectors—the overarching 14th five year plan of course mentions the Arctic. It has a long-term view on the Polar Silk Road, but it will take some time before the Polar Silk Road becomes a reality.

We have seen some of the recent five year plans that have come out. They focus on different aspects of China becoming a maritime power, which is of course related to the Polar Silk Road. To have a Polar Silk Road you also have to have maritime capacity, so this is important in

understanding how China is thinking about the Polar Silk Road. To conclude, we believe it is a long-term strategy or long-term thinking with the Polar Silk Road, and it may take some time for China to finalise or realise this aspect.

On that note, I do not know whether you have spoken about this already, Arctic is not at the top of China's agenda. If we talk about foreign policy, I think it wants to be present in the Arctic. It sees opportunities in the Arctic. Marc has also explained about the economic opportunities. There are opportunities in many ways—interests, scientific research and so on. We also have to keep a perspective with regard to the Arctic and China's foreign policies, security policies, military presence and so on.

Lord Stirrup: Dr Lanteigne made a very good point about the fundamental importance in all this of the development of governance within the region. Maybe we could save that until the next question.

The Chair: We want to move on to governance if we can, please, and Lord Anderson has got a question.

Q99 **Lord Anderson of Swansea:** Good morning. It is a question on China and the governance of the Arctic, which I shall extend to how we should generally review the activities of China, malign or benign, in the Arctic. As far as governance is concerned, China became an Arctic Council observer state in 2013, yet in January of this year China said it would not support the Arctic Council if Russia were excluded. How should we view China's approach, as a status quo or a revisionist state with regard to Arctic governance?

To extend this, it is hardly surprising in a way that China as one of the two superpowers with worldwide interests takes an interest in the Arctic, which affects it in climate change and so on. How should we properly view the activities of China. Are they understandable in seeking to gain advantage in terms of infrastructure and minerals and so on? Where on the spectrum between a malign influence and just a rival or a competitor would you place what should be our attitude to China's involvement in the Arctic?

Dr Marc Lanteigne: They are very good questions. Before China became a formal observer in the Arctic Council in 2013, I was commenting on the concept of near-Arctic state. That first began to appear out of concerns in both Chinese government and research circles. With the Arctic growing in importance, this was a time when there was all kinds of discussion about a scramble for resources, that there would be all kinds of disputes over maritime borders in the region, and China was very concerned about being left out of that process.

There were references in some Chinese research papers to either a melon scenario or a cake scenario—long story short: that the Arctic would be cut up into eight pieces and if you are not an Arctic state you get nothing. There was an almost reactive stance taking place at around that time.

Since then, China has tried to put itself forward as a joiner in various Arctic initiatives—not only the Arctic Council but, as I mentioned before, the Polar Code and the central Arctic fishing bed—but there remains great sensitivity in Chinese policy circles about being left out of new areas of governance that are starting to appear.

The situation obviously became very complicated back in February last year when, shortly after the invasion, it was announced that the activities of the Arctic Council would be paused. That reflected Russia's chair of the organisation, obviously making governmental meetings not possible. This caused concerns in Beijing and, as was noted, it was brought up late last year and in addition to early this year, where you had Chinese Government representatives say it would be very difficult for China to continue to engage in the Arctic Council with Russia not being involved, the argument being that, "Well, without Russia you have a completely different format. It is not the same Arctic Council".

Now the council is trying to return to normal operations. It is going to be a very difficult process because political-level meetings will still be very difficult to engage in. China has certainly looked to Russia as a way of maintaining a certain degree of dialogue about Arctic governance, and in turn Russia has made a few statements in some of its foreign policy documents that, if need be, it will look to other non-Arctic states, the implication being with China and potentially other Asian powers such as India, in order to maintain a certain degree of Arctic dialogue.

To go to the first question, I would say that China is very cautious in status quo power. It is trying to portray itself not as a spoiler. It has been very sensitive all the way through about being seen as a gate crasher in the Arctic. Nevertheless, it has been trying to almost sell the idea that there are certain areas of Arctic governance that should be international, that what is happening in the Arctic is too important to be left to a small number of Governments.

I would say that Beijing has been very adept at walking the line between being seen as too passive and too revisionist in this regard, but much of this, again, is going to depend on what will happen with the council in the near future. Will it be able to engage in normal operations? Will it not be able to do so? In the latter case, there have been discussions here in Norway about other constellations of co-operation—for example, a western Arctic versus a Russia-plus Arctic—so a lot of possibilities are appearing.

Dr Gørild Heggelund: Thank you, Marc, for those good points. When China became an Arctic Council observer state in 2013, I think there was concern that other non-Arctic states would get together and establish a competing or another type of organisation. I think this was behind accepting China and for other countries to become observer states on the Arctic Council.

I agree very much with Marc that, so far, China has been very low key and has had very moderate behaviour in the Arctic Council. Mention has

been made about China not supporting the Arctic Council if Russia was not in it. That was stated at the Arctic Circle in Iceland last October, but so far it seems that China has been moderate and has calmed down a little bit on this point. I have not seen very much about that recently. Norway successfully took over the chair of the Arctic Council in May. Russia and Norway had a very smooth transfer of the chair. I think that shows that things are going smoothly in relation to the Arctic Council.

As Marc mentioned before, they will pick up some of the work again in the Arctic Council in the working groups. I think that is an important point as well. China's experts can participate in Arctic Council working groups and collaborate with scientists from Arctic countries and other countries on global environmental issues.

Of course, as Marc also mentioned, we do not know the future. Russia has invited BRICS countries and Shanghai Cooperation Organisation countries to join in doing research in the Arctic. That is a new development on the part of Russia. We will just have to follow and see the developments, but in the Arctic Council it seems China is playing a very moderate and constructive role.

Lord Anderson of Swansea: A role that any superpower would want to play with worldwide interests. Has China at all flirted with the idea of establishing a separate organisation to the Arctic Council?

Dr Gørild Heggelund: Not to my knowledge, no. At the time in 2013, there was concern that this could happen—that some other countries that were not part of the Arctic Council could do that. I know that the Norwegian Minister referred to this when he talked about China and other countries becoming observer states in 2013—better to have them at the table than sitting at a separate table.

The Chair: Thank you very much. That is very helpful. Lady Coussins wants to follow up.

Q100 **Baroness Coussins:** Could I just clarify a detail of governance? Am I right in thinking that Arctic Council observer states are also permitted to observe and even participate in the working groups and, if so, are there any of the specialist working groups that China has identified as of particular interest to participate in?

Dr Gørild Heggelund: Yes, they can participate. The Chinese experts are nominated by the Ministry of Natural Resources in China, the Ministry of Foreign Affairs and the Ministry of Ecology and Environment. They nominate experts for the different expert groups. There have been different experts in different working groups of the Arctic Council, on migratory birds, on chemicals and on black carbon. It is also interesting, because a few years back black carbon was not a topic in Chinese domestic environmental policy. Again, we can see some of those synergies between what China is doing in the Arctic Council and the working groups and Chinese policies.

I mention this because Norway also has had a long-term collaboration with China on black carbon and climate pollutants in addition to mercury. These are working groups that Chinese experts have participated in in the Arctic Council.

- Q101 **Lord Robertson of Port Ellen:** You will notice that there is a degree of preoccupation by us on the role of China. I want to follow on from Lord Stirrup's questions, which are to do with the worries that the West might have about China's longer-term intentions. Clearly, there is an antagonism between Russia and China, which at the moment is subordinated to the fact that they both need each other very substantially. Once the Ukraine dispute is over, how worried are the west of Arctic nations about China's real ambitions in the area? They can be economic. They can also be strategic. They can be military.

Today's *New York Times* carries an article about a 150-strong navy being created by the Chinese in the South China Sea, which they are labelling coastguards. They actually say it in English. They are painted white and on the side in English it says, "China Coastguard", but they are clearly not coastguard ships; they are warships. The declared objective of China is to be a maritime great power and clearly, therefore, the Arctic must be part of its ambitions. How worried should we be about the longer-term objectives of China in the Arctic region as a whole, given the strategic importance to us in terms of communications, underseas cables and also access to satellites, which are obviously very much closer to the earth at the top of the world?

Dr Marc Lanteigne: Very good points. To answer this, it is important to note that what China has been trying to do in constructing much of its Arctic policy has been to approach the region in several different policy directions.

Just to very quickly jump back to the point about China and the working groups, over the past decade, because China knows that it is under a considerable microscope with its Arctic activities—it is the largest non-Arctic state—it has tried to put forward an identity of, in Chinese, Fù zérèn de dàguó, or responsible great power, that: "We are here. We understand that we have rights and responsibilities in the Arctic". As I was saying before, there has definitely been a concerted effort to avoid any activities that could look overtly like being a spoiler: challenging international law in the Arctic, challenging the Arctic Council.

Going into the future, things start to look a little more ambiguous because most of the concerns that have been expressed in Europe, in the United States and elsewhere about China's long-term roles in the Arctic have to do with how close China and Russia are going to align in the region. Russia holds a lot of the keys—geographically, economically and strategically—for China to enter the Arctic. It is not possible, or at least very difficult, for China to simply go into the region alone and say, "This is how things are going to be".

With Russia, there is the underlying concern between the two countries, Russia and China, about how well they trust each other beyond the talk about mutual Arctic interests, about jointly building up the Arctic. Before the invasion of Ukraine, it was made very clear by the Putin regime that Siberia and the Russian Far East were going to be the economic drivers of the "new Russian economy". Russia has been very wary of any kind of outside participation, even from China. Even back when China became a formal observer, Russian officials said, "We are happy that China is here. We are certainly happy with Chinese investment but, at the end of the day, we are the Arctic state".

I guess the answer to this question lies in knowing how well or how closely the two countries will be able to co-operate on areas of substance. That definitely includes the area of military. There have been joint operations. There have certainly been joint manoeuvres in the Arctic. China is very much building up its maritime capability with a great focus on both the Indian and Pacific oceans.

I go back to the question of what China would gain by being overtly revisionist and taking on a more military stance in the Arctic, knowing that the West and Russia are certainly keeping a very close eye on what China is doing in the future. How many gains would there be for Beijing from a strong military posture on China's part in the Arctic, especially when it is still very much a newcomer to the region and is still very much beholden to the good will of not only Russia but, one would argue, several other Arctic states, simply for access to the region?

Dr Gørild Heggelund: I agree very much with what Marc has said. I think we have to distinguish between the South China Sea and the Arctic. They are quite different in many ways, and China does not really have a territorial interest in the Arctic, so I think that is a big difference.

Of course, China is now the number two economy in the world. It is big. Its army is growing, as is its naval and maritime capacity. Because of the geopolitical situation right now, of course, it creates a situation where you think that China's military or navy will also appear in the Arctic. So far, we have not seen much military activity in the Arctic, but of course in the future one must follow China's policies and actions.

China/Russia is a question. Marc asked whether the trust between China and Russia is there. There are great speeches and then you had in 2022 the "no limits" agreement between Russia and China. Xi Jinping visited Moscow this year in March and "no limits" was not mentioned. It was not as warm, it seemed. Of course, between the two men it seemed very good, but I think China is being very cautious at this stage because it has concerns about sanctions towards China from getting too close to Russia. If it provides Russia with weapons or other things, I guess there would be negative consequences for China.

Despite the fine words, I think there is a lack of trust in a way between the two nations, and this is reflected especially in academic articles in both nations. We did some research here at FNI together with a Russia

expert and myself. We went through many articles in Chinese and Russian, and we see that there is scepticism on both sides which does not come out in the great speeches by the leaders. There is scepticism about, "What does China want in the Arctic? China has talked about the internationalisation of the Arctic. China has the funding but what does it want back?" Then China's experts point to Russia, "They just want our funding and they will not let us into the Russian Arctic". Therefore, I think there are many underlying issues between the two countries, also based on the long history.

I think it is important for China to keep a relationship with Russia. It has a 4,000 kilometre-long border with it. It is a big neighbour country. It is the same with Norway; it also keeps a relationship with Russia. We will see how the relationship develops, but reports and analysis say that it is a good opportunity for China to move closer to Russia, to have more access to the Russian Arctic, but we do not know yet about it.

The Chair: Thank you very much. We have a few more minutes but, just quickly, Lord Soames wants to put a point.

Q102 **Lord Soames of Fletching:** Thank you, Chairman. I am sorry, I hope I have not missed this or misunderstood it but, further to what you were both saying, have you noticed a change in shipping patterns in the Arctic from Russian and/or Chinese vessels since the Ukraine invasion?

Dr Marc Lanteigne: Yes, there have been. While Russia has been trying to promote the idea of business as usual in Arctic shipping. As, obviously, oil and gas sales to Europe are no longer possible, Russia has been very much playing up the idea of new markets in Asia and Asia-Pacific, with China at the top of the list. Realistically, though, China has been very wary about making use of the Northern Sea Route for civilian shipping. The main shipping concern in China, COSCO, has in essence said that it is not going to be using the Northern Sea Route for the time being under current geopolitical circumstances. How that is going to change is very much an open question. Much is going to depend on the course of the conflict. Certainly, China does want to make use of the Northern Sea Route again in the future, but I think it is now starting to look a little bit more towards the central Arctic, not necessarily being beholden to Russian waters, because that is what the Northern Sea Route is all about, Russian waters.

I think China is also looking a little bit ahead to say, "Well, as our shipping interests grow, we will be able to make much better use of the central Arctic", which obviously has a different international legal status. Things are very much in flux and, as was noted, it is very important to distinguish the rhetoric, the very high-level conversations between leaders, and what is actually happening, especially on a company-to-company level.

Q103 **Lord Robertson of Port Ellen:** I want to come back to the answers to my questions because I fully appreciate the lack of trust between Russia and China. It is longstanding. It is visceral. It is almost racial and it has

been there before. I recall the Deputy Prime Minister of Russia saying to me adamantly that they would never build an oil and gas pipeline between Russia and China, so that antagonism was there. That has changed. The geopolitics have changed dramatically since the invasion of Ukraine, and Russia is now much more subservient to China and to Chinese interests as a whole.

That is why I am trying to tease out of you some speculation about what that changed relationship is actually going to mean, from the point of view of the global or the Arctic Silk Road that now certainly figures in domestic Chinese literature. Should we be much more worried about the Chinese role in the region, economically, strategically, and in communications terms and the rest of it, because of that new changed relationship that exists?

Dr Marc Lanteigne: There are two areas that I would bring up right at the beginning about the Russia-China relationship. First, when China began to put together its Arctic policy, which culminated in the Polar Silk Road, there was a lot of optimism among Chinese policymakers that the entire Arctic would be involved. There was even some discussion among some academic circles in China that we should really be calling this one belt, one road and one circle, because the Arctic was going to be so integrated into the belt and road regime.

That has obviously not taken place and, certainly, China would still prefer to engage the Arctic as a whole, many different Arctic Governments and actors, but finds itself pretty much connected to Russia as its primary Arctic partner. Beijing has a difficult decision to make. Should it continue to align itself more closely with Russia, knowing that that is going to affect any future co-operation with the rest of the Arctic? Have we already crossed that particular divide and is this no longer much of an issue?

In Russia's take—go back to before 2014, before the invasion of Crimea—you have a preference in Russian policy circles again to get many different countries investing in Russian and Siberian oil and gas. This was simply not possible after 2014, so the situation has been described as a marriage of convenience; it has been described as a very surface level of co-operation. The other point to be made is that China is concerned, especially over the events of the past year, that, regardless of the outcome of the conflict, Russia will be a diminished power. China is very wary about connecting itself too closely to one particular great power actor, especially one that may be in decline.

As you correctly point out, the power differential between China and Russia has shifted and it would be very interesting to see how that is being interpreted in various Russian policy circles. Right now, we have no information, but I can only imagine what kind of discussions are taking place behind closed door in the Russian foreign policy apparatus.

The Chair: Dr Heggelund, would you like to briefly comment? We have a few more minutes, so we need to be reasonably brief.

Dr Gørild Heggelund: Yes. When you look at the White Paper in connection with the Polar Silk Road, Russia was not mentioned. It was not a Russian project or anything. It is mentioned just as a policy and China wants to co-operate with other countries in the Arctic on the Polar Silk Road. I think that says quite a bit, but of course things have changed because of the war in Ukraine. I think Marc has covered that very well, so I will not say anymore since we have less time.

The Chair: Okay. Thank you very much. Now, Lord Wood would like to put you on the spot and ask for your advice.

Q104 **Lord Wood of Anfield:** Yes, thank you. In light of the very interesting variety of challenges you have both set out, of China's changing form of engagement and changing strategic approach to the Arctic, what approach would you recommend for the Arctic 7 and their allies, like the UK, to take in response? I am thinking here not just of strategic responses through the Arctic Council but also commercially, maybe outside of the means that have previously been used. What is the most effective way of combating the various challenges and threats that you have both raised? Dr Lanteigne, maybe you could start this time.

Dr Marc Lanteigne: Thank you. I do not see any particular easy answers here, especially out of concern about on the one hand the need for greater multilateral scientific co-operation in many areas of Arctic climate change and environmental situations. It is understood that we are seeing a debate over how to include Russia because, geographically, Russia is a major part of the Arctic, no matter which way you look at it, and we are seeing a lot of debates about how to engage China in obviously very difficult geopolitical circumstances.

How can this be done without creating concerns about security and use of data? One very commonly used buzzword right now in certain political circles is the idea of derisking, which is one of these very kind of broad-base terms, but I think it probably does have a little bit of relevance here. There probably will be the need for more case-by-case areas where co-operation is useful—what areas of Arctic policy certainly require all hands on deck, metaphorically?—but with the understanding that we are dealing with a geopolitical situation in the Arctic that has changed drastically just over the past few years and these precautions need to be undertaken.

I would also make one other quick point: there are also various other points of co-operation, including on the track 2 level, including in terms of academic research and various kinds of sub-governmental exchanges, which could also be useful and probably become much more crucial in getting an idea of what all sides are thinking and researching in regards to the Arctic.

Dr Gørild Heggelund: Yes, thank you for that question. As I have already mentioned, so far China has kept a low profile in the Arctic. Countries must be prepared for an increased Chinese presence in the Arctic and other regions, not least financially. We know that China has

interests in the Arctic—as other countries do as well—so it also provides an opportunity for increased co-operation with China.

It is important to base our approaches on facts, and then of course to do analysis and look into the future. I think there has been much attention given to China in the Arctic. China is investing there; there are shipping lanes and so on. I think it is important to have a perspective and nuance the role that China has played in the Arctic so far, which appears to be moderate.

Of course, we see activity in the energy sector, so we have to follow these developments, as well as shipping and research. These are the three areas that China is most active in. As I mentioned before, the policies in China indicate that the Arctic will continue to be on the agenda as well as the Polar Silk Road. Therefore, there is a great need to understand what China's policies and ambitions are in the Arctic and even more to look at the different documents, plans and strategies that China has on the Arctic and the Polar Silk Road. We know that the Arctic will stay on the policy agenda. It is hard to look into the future, but the Arctic will continue to be one of China's interests, so just to follow developments will be important.

The Chair: Thank you so much for spending time with us. Obviously, this is a critical subject for not only our inquiry but the world and there are an enormous number of difficult challenges ahead of us. It is very helpful to hear your expert views. We are very grateful to you for coming today and spending some time with us.