

The recent backlash against China in the Nordic Arctic: Prospects for future Chinese engagement in the region

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Summary

- Five years ago, China expressed hopes for increased collaboration with the Nordic states in the Arctic. Chinese investments in Nordic mineral resources are still minimal, however, and none of the ambitious infrastructure projects discussed have come to fruition. The backlash against China in recent years has undoubtedly hindered its investment prospects in the region.
- Various factors have fuelled China's Arctic backlash. First, Xi Jinping's authoritarian leadership has heightened Nordic suspicion that Chinese companies serve the strategic interests of the Chinese Communist Party, including its military objectives. Second, China's high-handed foreign policy, notably its "wolf warrior diplomacy", has tarnished its soft power in the Nordic region, leading to diplomatic tensions and harming perceptions of China as an economic partner. Third, geopolitical rivalry with the US has been extended to the Arctic, where US efforts to counter Chinese influence have raised Nordic concerns about jeopardizing relations with the US.
- In addition, Chinese actors might have exaggerated their Arctic agreements with Nordic partners domestically, triggering a backlash when discrepancies emerge, such as in agreements with Greenland and Finland. These factors have intensified scrutiny of Chinese investments, prompting Chinese companies to reassess the political risks of investing in the region.
- For the foreseeable future, China's position of "pro-Russian neutrality" in relation to Russia's war in Ukraine, European efforts to reduce dependency on China for the supply of critical raw materials and the decisions by Finland and Sweden to join NATO are likely to place further limits on Chinese activities in the Nordic Arctic.
- While Chinese investment in infrastructure and mining is likely to be restricted, there will continue to be opportunities for China to engage in the Nordic Arctic. There appears to be a relatively strong desire among Nordic participants to keep China involved in Arctic governance, in particular environmental governance, and China is a sought-after partner

in the Nordic shipping industry. This poses a challenge for the Nordic states: how to sustain and oversee cooperation while simultaneously guarding against security risks.

- In future, Nordic countries' decisions on the feasibility and desirability of cooperation with China will be shaped not only by their own assessments of the benefits and risks associated with specific projects, but also by broader geopolitical factors, including Russia's war in Ukraine and US-China rivalry.
- Recently implemented investment screening mechanisms in Sweden, and the anticipated tightening of such measures in Norway and Finland, will safeguard against potentially harmful Chinese investment. If properly monitored and regulated, Chinese participation in Arctic governance could mitigate environmental risks and enhance maritime safety, while potentially weakening the growing Sino-Russian alliance in the region.

Introduction

As China's economic strength grows, so too do its global ambitions. In the past two decades, Chinese resource and shipping companies have expanded their reach into remote and logistically challenging regions, such as the polar regions. In the Arctic, state-supported Chinese companies have invested or sought to invest in infrastructure and raw materials, such as oil, gas and minerals. They are also cooperating with Russian companies on extracting mineral resources in the Russian Arctic, and on developing an Arctic shipping route – the so-called Polar Silk Road – to transport these resources.²

While Russia has been a key partner for China in the Arctic, China has sought to engage with all the Arctic countries to advance its interests in the region. Similarly, the Chinese vision for the Polar Silk Road has been to connect both existing and future Arctic maritime routes, as well as ports, railways, airports and other infrastructure projects along those routes.³ This requires China to work with countries beyond Russia, particularly the Nordic states. However, Chinese investments in the seven Arctic states excluding Russia (the Arctic Seven, A7) have faced a growing backlash in recent years, as western concern over China's Arctic agenda has grown.

The aim of this report is to examine the reasons for the backlash against Chinese activities in the Nordic Arctic, which began several years before Russia's full-scale invasion of Ukraine, and to discuss the prospects for future Chinese engagement in the region.

Various studies have examined China's Arctic investments. Some provide an overview of Chinese activities in the Arctic as a whole, while others focus on specific countries or cases.⁴ Studies have noted the controversies and backlash surrounding Chinese investments in Arctic countries and how they have forced China to reconsider its approach in the region.⁵ This study adds to existing knowledge by examining the various factors that have fuelled the backlash, as well as those that could influence China's prospects for future engagement in the region. It also contributes to a better understanding of how Chinese assessments of and attitudes to investment in the Nordic countries have evolved over time, and how this might affect future developments.

The study draws on a wide range of materials in English, Chinese and the Scandinavian languages, such as policy documents, official statements, newspaper reports and the academic literature. The analysis is focused on but not limited to projects inside the Arctic region. The Nordic countries are all Arctic states, and projects outside the Arctic circle can still have a role in China's Arctic strategy.⁶

Historical overview of China's Arctic activities

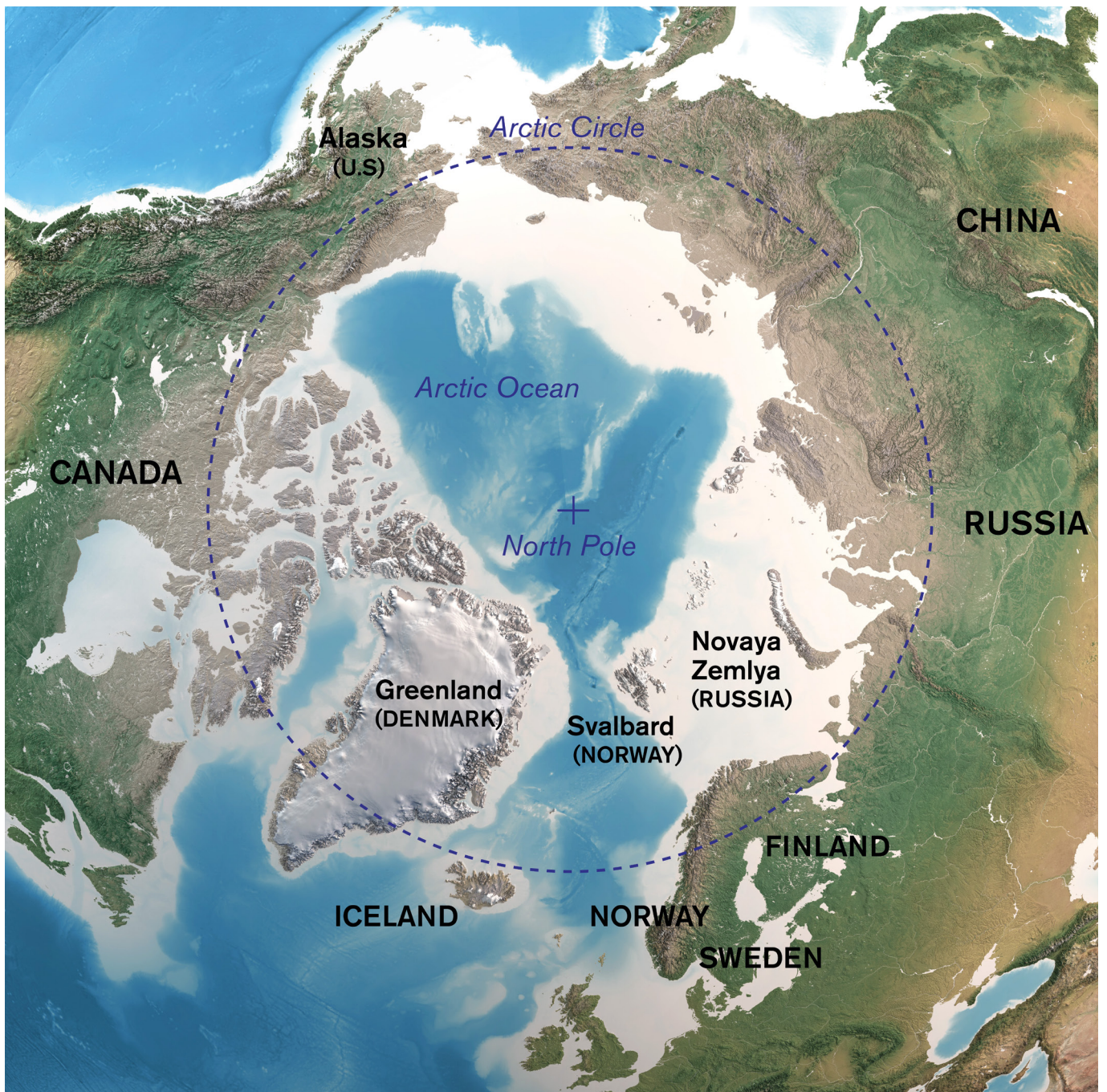
Chinese official interest in the Arctic dates to the late Qing Dynasty, when Chinese scientists participated in the first International Polar Year, 1882–83.⁷ In 1925, the Republic of China signed the Spitsbergen Treaty, which allows the signatories to conduct commercial activities on Svalbard. In 1993, China bought an icebreaker from Ukraine, which it converted from a cargo ship into a research vessel named Xue Long.⁸ The Xue Long made its first Arctic research expedition in 1999.⁹

China opened its first Arctic research station on Svalbard in 2004.¹⁰ The station focuses on glacier monitoring and aurora and atmospheric research. In 2013, China was granted observer status in the Arctic Council, the main intergovernmental forum for discussing sustainable development and environmental protection in the Arctic.¹¹ In the lead-up to the council's decision, China began calling itself a “near-Arctic state”.¹²

In 2014, President of China Xi Jinping (习近平) declared China's goal to become a “polar great power” with a capability equal to that of the United States and Russia by 2030.¹³ China published its first Arctic policy white paper in 2018.¹⁴ In the white paper, China announced its intention to develop Arctic shipping routes, and to explore and exploit Arctic resources, promising to do so in accordance with international law.

China has participated in the development of infrastructure along the Northern Sea Route (NSR), a shipping corridor controlled by Russia that is located entirely within its Exclusive Economic Zone. The NSR has the potential to cut fuel costs by 20 percent and shipping times by as much as 40 percent for shipments between China and Europe. As of 2023, China was operating two Arctic research stations and two icebreakers, including the fully Chinese built MV Xue Long 2.¹⁵

China has shown enthusiasm for Arctic connectivity projects, such as the “Arctic corridor”, a currently stalled plan to connect the Norwegian Arctic port of Kirkenes with Rovaniemi in Lapland through a new Arctic railway,¹⁶ although no Chinese investment was ever made. An expanded deep water port in Kirkenes would allow shipping along the NSR. A new railway would connect with the existing Finnish railway system, reaching Helsinki in the south. An alternative proposal is to integrate the Arctic corridor with the standard European rail network in Estonia through an undersea tunnel linking Helsinki with Tallin.¹⁷



Map of the Arctic. Source: Shutterstock / UI

Chinese investments in the Swedish Arctic

In the early 2010s, China showed interest in investing in Sweden's mining industry. A Chinese assessment praised Sweden's mining investment environment, describing the political risk as low. Despite Swedish efforts to attract Chinese investment in its mining industry, however, no such investments were made at the time. Since then, relations between China and Sweden have deteriorated and scrutiny of Chinese investments in sensitive sectors has increased, making Chinese participation in Swedish mining projects even less likely.

Mineral resources and mining

In 2010, China reportedly expressed an interest in Sweden's mineral and mining industries.¹⁸ This led Invest Sweden, the Swedish government agency tasked with promoting investment opportunities in Sweden to foreign investors, to launch a pre-study aimed at identifying potential investment targets. According to Invest Sweden, Chinese investors were interested in the entire value chain for mining and metals, while Swedish industry was especially keen to attract investment in mineral processing. Around this time, China's Ministry of Commerce published a Chinese-language introduction to Sweden's mining industry aimed at Chinese potential investors.¹⁹

An employee at the Information Centre of China's Ministry of Land and Resources²⁰ has made assessments of the mineral resources and mining investment environment in various countries, including the three Arctic countries covered in this study. An assessment from 2015 praises Sweden as "a democratic and open country ruled according to law that operates in accordance with market economic laws and international rules". It describes the political risk of investing in Sweden as low, "China and Sweden have always maintained a good relationship", and Chinese investments in Swedish mining projects as "less likely to fail due to the impact of the relationship between the two countries".²¹

Despite these positive assessments, Chinese companies did not invest in any Swedish projects.²² The reasons for the lack of investment are not known but it is possible that more attractive projects were identified elsewhere. It could also be that identifying suitable projects and negotiating agreements takes several years. Relations between Sweden and China had already begun to deteriorate before any investments could be made, leading to increased scrutiny over Chinese investments, and Chinese mining companies to reassess the political risk of investing in Sweden (see below).

Connectivity, shipping and infrastructure

Unlike Finland and Norway, Sweden has never been part of the now-stalled Arctic Corridor project, which received Chinese endorsement but no investment. Neither the Arctic railway nor the planned undersea tunnel included proposals for new infrastructure on Swedish territory. Sweden would have connected to them via the existing Swedish rail system and the traditional sea routes along the Swedish and Finnish coastlines.

Agreements signed with the Swedish Space Corporation (SSC) are China's only significant investment in the Swedish Arctic. In 2019, a report by the Swedish Defence Research Agency (FOI) revealed that the SSC had been renting out antennae and sharing satellite data with Chinese customers at the Esrange Space Centre in Kiruna since the early 2000s.²³ At least one contract was signed with the China Satellite Launch and Tracking Control Centre General, a sub-unit of the People's Liberation Army's Strategic Support Force.²⁴ Another customer is the Chinese Academy of Sciences (CAS), which announced in 2016 that it had constructed and opened China's first overseas satellite ground station at Esrange.²⁵ However, this was denied by the SSC, which claimed that it owned the satellite in question – although a representative noted that there was one Chinese-owned satellite at the SSC which China had acquired before 2010.²⁶ In 2020, the SSC announced that it had opted not to renew its contracts with Chinese customers, citing as reasons changes in the global environment and the unpredictable Chinese market.²⁷ It is unclear when the existing agreements will expire.

Chinese investments in the Norwegian Arctic

Chinese-Norwegian cooperation in the Arctic was limited between 2010 and 2016 because of a diplomatic crisis between the two countries. Following normalization of ties in 2016, both sides expressed an interest in cooperating on Arctic issues, including Arctic resource development and connectivity projects. However, few projects have materialized.

Mineral resources and energy

A Chinese assessment of Norway's mineral resources and mining investment environment in 2013 compared it unfavourably to those of Sweden and Finland. The assessment highlighted that while "Norway is famous for its rich oil and gas resources", its mineral resources are not as rich as those of Sweden and Finland. Nor could it match its neighbours in terms of mining legislation and mining friendly policies.²⁸ Chinese companies looking to invest in the Nordic mining industry were advised to look to Norway's neighbours.²⁹

The few Chinese investments in Norway are mainly in the areas of oil exploration and wind energy (Table 1). In 2018, the Norwegian energy company, Equinor, and the China National Petroleum Corporation (CNPC) agreed to work together on oil and gas exploration, renewable energy and carbon capture and storage technology.³⁰ In 2019, Equinor signed a Memorandum of Understanding with China Power International Holding to collaborate on offshore wind power in Europe and China.³¹ In addition, Elkem ASA, a subsidiary of China National Bluestar Group, plans to mine quartz at Nasafjell on the Norwegian side of the Norway–Sweden border. However, the project appears to have stalled because of concerns over its impact on cross-border reindeer herding.³²

Connectivity, shipping and infrastructure

Between 2010 and 2016, Chinese-Norwegian cooperation in the Arctic was restricted because of the diplomatic fallout from the Norwegian Nobel Committee's decision to award the Nobel Peace Prize to the Chinese writer and dissident Liu Xiaobo (刘晓波). However, there was still a degree of cooperation during this period. In the summer of 2016, a China Oilfield Services (COS) vessel docked at the Kirkenes port while carrying out seismic mapping in the Barents Sea.³³ In 2013–2018, a Chinese company constructed the Hålogaland Bridge, a suspension bridge that connects Narvik with Øyjord across the Rombakfjord.³⁴

Following normalization of ties in late 2016, the Norwegian government expressed hopes for "enhanced cooperation on climate issues and the Arctic".³⁵ When Xi Jinping received Norwegian prime minister Erna Solberg in Beijing in April 2017, he proposed that China and Norway "jointly promote Eurasian connectivity and common development", highlighting Arctic research, resource development and environmental protection as areas where China was willing to deepen cooperation.³⁶ Chinese officials and business actors³⁷ have since been enthusiastic about the potential role of Norwegian Arctic ports on the Polar Silk Road. Nonetheless, there has been no Chinese investment in ports or other critical infrastructure in the Norwegian Arctic, and the backlash against China's Arctic activities explored below means that such investments are unlikely for the foreseeable future.

Table 1. Chinese investments or planned investments in or near the Norwegian Arctic

Source: Author's own compilation

Project	Resource	Owner/local partner	Chinese investor	Form of participation	Status
Nasafjell quartz project	Quartz	Elkem ASA (subsidiary of CNBG)	China National Bluestar Group (CNGB)	Ownership	In development
Yellow River Station	Research station	Polar Research Institute of China	Chinese-owned	Ownership	Opened in 2004
Barents Sea seismic mapping	Port usage (Kirkenes)	Henriksen Shipping	China Oilfield Services	Contracting of services	Active in summer of 2016
Oil and gas exploration	Oil and gas	Equinor	China National Petroleum Corporation	Memorandum of Understanding	Unknown
Offshore wind power	Wind power	Equinor	China Power International Holding	Memorandum of Understanding	Unknown
Hålogaland Bridge	Bridge	Norwegian Public Roads	Sichuan Road and Bridge Group	Construction	Completed
Arctic railway project	Rail	Arctic Corridor/ Norwegian government	Unknown	Courting of Chinese investment	Stalled

Chinese investments in the Finnish Arctic

A decade ago, Chinese mineral resource experts made extremely positive assessments of Finland's mining investment environment, and Chinese Arctic officials have since shown enthusiasm for Arctic connectivity projects in Finland. Finland has generally been viewed as a friendly and reliable partner where China can advance its Arctic interests. Despite these highly positive assessments, however, there have been few Chinese investments in the Finnish Arctic.

Mineral resources and energy

In 2013, China's Ministry of Land and Resources praised Finland for having one of the best mining investment environments not just in the Nordic states, but in the world.³⁸ Another Chinese study noted that Finland still has many undeveloped mineral deposits across the country and "huge development potential", highlighting Finland's rich resources of copper, nickel, zinc, gold, chromium, iron and uranium. It predicted that the next "gold rush" by global mining giants would take place in Finland.³⁹

Despite these positive assessments and optimistic predictions, Chinese investments in Finland's mineral resources have been almost non-existent (Table 2). About ten years ago, Jinchuan Group, China's largest nickel producer, signed an offtake agreement⁴⁰ with Belvedere Resources, the then owner of the now decommissioned Hitura Nickel Mine in

central Finland.⁴¹ The Chinese company Sunshine Kaidi New Energy Group announced in 2016 that it was planning to build a biodiesel plant in Kemi, northern Finland, but the project appears to have come to a halt.⁴² Finally, China's CNGR Advanced Material has partnered with Finnish Battery Chemicals to build a chemical plant near Helsinki.⁴³ In recent years, there have been several other Chinese investments in Finland's battery sector, making Chinese companies the largest foreign investor group in this industry.⁴⁴ Apart from the Kemi biodiesel plant, however, none of these projects is in or near the Arctic circle.

Connectivity, shipping and infrastructure

Finland has been touted by some Chinese officials and academics as key to advancing China's Polar Silk Road. In 2019, Lu Zhongwei (陆忠伟), former dean of the China Institutes of Contemporary International Relations (a research institute under the Ministry of State Security) described the proposed Arctic Corridor as "the embodiment and localization" of the Polar Silk Road in Finland. Once the Arctic Corridor and undersea tunnel were completed, Finland would be transformed "from a small, remote country to one located in the middle of Europe and Asia" – an "Arctic gateway" to China's Belt and Road Initiative.⁴⁵ China has generally regarded Finland as a reliable partner for advancing its Arctic interests. As Lu put it, Finland is "a close friend" in China's "Arctic circle of friends".⁴⁶

In 2018, the Polar Research Institute of China, the main institute in charge of China's Arctic expeditions, attempted to lease or acquire the airport at Kemijärvi to use for flights over the North Pole, but the plan was reportedly blocked by the Finnish Ministry of Defence.⁴⁷ In the same year, the Finnish Meteorological Institute (FMI) signed an agreement with CAS to establish a joint Research Centre for Arctic Space Observations and Data Sharing, which included plans for CAS to establish satellite ground stations.⁴⁸ However, the FMI decided not to renew the agreement when it expired in 2021, explaining that because of "changes in the world's political situation" it was no longer interested in deepening cooperation with CAS.⁴⁹

Table 2. *Chinese investments or planned investments in or near the Finnish Arctic*

Source: Author's own compilation

Project	Resource	Owner/local partner	Chinese investor	Form of participation	Status
Hitura Nickel Mine	Nickel	Belvedere Resources	Jinchuan Group	Offtake agreement	Expired
Kemi biodiesel plant	Biodiesel	Kaidi Finland (subsidiary of Sunshine Kaidi)	Sunshine Kaidi	Ownership	Planning stage
Arctic Research Centre	Research	Finnish Meteorological Institute	Chinese Academy of Sciences	Agreement	Expired
Kemijärvi airport	Airport	City of Kemijärvi	Polar Research Institute of China	Offer to lease or purchase	Blocked
Arctic railway project	Rail	Arctic Corridor/ Finnish government	Unknown	Courting of Chinese investment	Stalled
Undersea tunnel	Tunnel	FinEst Bay Area Development	Touchstone Capital Partners	Memorandum of Understanding to provide funding	Planned

Understanding the backlash against China in the Nordic region

In the early 2010s, Chinese officials and researchers made positive assessments of the mineral resources and mining investment environment in the Nordic states. The interest was mutual. In Sweden, the government actively courted Chinese investment in its mining sector.⁵⁰ Following the announcement of the Polar Silk Road policy around 2017, various Finnish and Norwegian officials and companies seemed eager to attract Chinese investment in infrastructure development in their countries. As recently as five years ago, there was optimism in parts of the Chinese bureaucracy about deepening cooperation with Nordic countries on Arctic resource development, scientific research and infrastructure, among other things.

In contrast to the enthusiastic rhetoric, however, there have been few Chinese investments in Nordic mineral resources, and none of the ambitious infrastructure plans have come to fruition. While various factors might have contributed to this outcome, the growing backlash against China in recent years has certainly played a role in reducing the prospects for Chinese investment plans.

It has now reached the stage where Chinese investments in critical infrastructure and certain resources are likely to be severely restricted for the foreseeable future. Several parallel and interlinked developments have contributed to the backlash.

First, under Xi Jinping's increasingly authoritarian rule, perceptions of China, the Chinese government and Chinese companies have changed dramatically.

- **Since becoming China's paramount leader in 2012, Xi has gradually strengthened Chinese Communist Party (CCP) control over the Chinese economy.**⁵¹ This has heightened concerns among governments in the West that Chinese companies will not merely act as independent, profit-pursuing businesses, but also serve the long-term strategic goals of the CCP, including its military agenda in the region.⁵²
- **China's more aggressive foreign policy under Xi Jinping has strained relations with the West, contributing to a rise in negative views about the country.**⁵³ The adoption of a more assertive and confrontational style of diplomacy, which has become known as China's Wolf Warrior Diplomacy, has damaged Chinese soft power in western countries. Both Sweden and Norway have had to negotiate serious diplomatic incidents with China in the past decade and each has been the target of Chinese economic coercion.⁵⁴ This is likely to have affected perceptions of China as an economic partner.
- **Human rights violations in China, especially the persecution of Uyghurs in Xinjiang province, have increased attention on the ethical aspects of accepting Chinese investments.** Local government and companies are now increasingly confronted with questions about why they engage with a regime accused of committing genocide.⁵⁵

Second, the intensifying geopolitical rivalry between China and the US has spilled over into the Arctic and contributed to the backlash in the Nordic region. US-China rivalry has been most pronounced in Greenland, where the US has launched a series of initiatives aimed at pushing out Chinese investors, having viewed their growing influence as encroaching.⁵⁶ The Nordic states are increasingly aware that allowing Chinese investments in sensitive regions such as the Arctic or in certain sectors or technologies could jeopardize their relations with the US.

Third, Chinese actors have probably contributed to the backlash themselves by hyping up their agreements with Arctic partners to domestic audiences in China. In some cases, they seem to have intentionally overstated the importance of their activities to gain political credit in China.

In 2017, for example, Chinese media reported that a “launch ceremony” for a Chinese satellite ground station project had taken place near Nuuk in Greenland. The Chinese reports suggested that the Greenland government had been involved. (Its approval would have been required for such a project to be launched.) However, officials in Greenland claimed that they were not even aware of the project’s existence.⁵⁷ When the Chinese reports were translated and brought to the attention of policymakers in Greenland and Denmark, this triggered a backlash. A statement by the Finnish Meteorological Institute that the outcome of its project with China had not been “as impressive” as conveyed in Chinese state media suggests that a similar dynamic has been at play in Finland.⁵⁸

All these developments are likely to have contributed to increased scrutiny of Chinese investment in the Nordic Arctic, and to have led Chinese companies and officials to reassess the political risks of investing in the Nordic states.

Developments since Russia’s full-scale invasion of Ukraine

Developments since Russia’s full-scale invasion of Ukraine can be expected to further limit the opportunities for China to engage in the Nordic Arctic.

- **China’s position of “pro-Russian neutrality” in relation to the war in Ukraine and its ever-closer partnership with Russia have harmed China’s relations with the Nordic states.** The West’s relations with Russia had already been strained for many years before Russia’s full-scale invasion of Ukraine in 2022, and Chinese analysts had already noted a reluctance among Nordic states to endorse the Polar Silk Road policy because of its close association with Russia.⁵⁹ China’s diplomatic and economic support for Russia’s war against Ukraine will only strengthen this reluctance.⁶⁰
- **The EU’s efforts to reduce reliance on China for the supply of “critical raw materials” are likely to add a further barrier to Chinese investments in certain mining projects.** Concerns about China’s control over Europe’s supply of rare earths and other critical minerals are not new, but they have intensified in recent years as relations with China have soured. An important aim of the EU’s “de-risking” policy is to diversify supply chains. This could tighten the rules on which European projects Chinese companies are allowed to participate in, and in what form. Sweden’s new law on FDI screening, adopted in 2023, covers activities involving “critical raw materials or metals or minerals that are otherwise strategically important for Swedish supply”.⁶¹
- **Finally, the decisions by Finland and Sweden to join NATO and deepen military cooperation with the US are likely to add further limits to Chinese-Nordic cooperation in the Arctic for the foreseeable future.** In 2023, Sweden and Finland both signed their first-ever defence cooperation agreements with the US, which are pending approval by their national parliaments. Additionally, the US and Norway expanded their existing defence agreement in 2024. Chinese investment in sensitive sectors and regions, such as the Arctic, will probably receive even more scrutiny than it has in the past, and more projects are likely to be blocked on national security grounds.

As investments in Arctic countries become more sensitive and more risky for Chinese companies, they will behave more cautiously, perhaps even rethinking their investment plans.⁶² Even before Russia's full-scale invasion of Ukraine, Chinese scholars were already worried that the growing securitization and militarization of the Arctic could hamper China's Arctic ambitions. Finland's and Sweden's accessions to NATO – referred to by Chinese analysts as “NATO's northern expansion” (北约北扩) – have further increased Chinese pessimism.⁶³

The future of Chinese engagement in the Nordic Arctic

While Chinese investments in infrastructure and mining in the Arctic may face growing limitations, the potential for Chinese-Nordic collaboration in the Arctic remains, especially in non-security domains. Investment screenings are unlikely to prevent all Chinese investment in “strategic” sectors. Recent Chinese investments in the battery sector in Finland and Sweden, while not in the Arctic, underscore the challenges of reducing reliance on Chinese investment, despite the EU's “de-risking” policy.

Nordic collaboration with China in Arctic governance is likely to continue and has potential benefits if carefully managed and monitored. The absence of a single comprehensive treaty governing Arctic affairs means that the current framework is a patchwork of international agreements, forums and mechanisms, such as the United Nations Convention on the Law of the Sea (UNCLOS), the UN Fish Stock Convention and the Svalbard Treaty.⁶⁴

China still has observer status in the Arctic Council, the primary intergovernmental forum for discussing environmental protection and sustainable development in the Arctic, consisting of representatives from the eight Arctic states and indigenous peoples. While lacking voting rights, China is entitled to participate in meetings, contribute to the work of the Council's various working groups and propose projects through any of the eight member states.⁶⁵ The Council suspended activities in early March 2022, however, following a collective decision by seven of the eight member states.⁶⁶ This has left the future of the council uncertain.

While there appears to be support among Nordic participants for keeping China engaged in some aspects of Arctic governance, in particular environmental governance, Nordic states should stay vigilant against any attempts by China to modify Arctic governance mechanisms. Chinese experts have consistently criticized these mechanisms as fragmented, outdated and discriminatory against non-Arctic states, although they rarely voice these concerns to international audiences.⁶⁷ Nonetheless, if China adheres to established regulations and norms of Arctic governance, its participation could contribute to mitigating environmental risks and improving maritime safety in the Arctic, while potentially diluting the growing alliance between China and Russia in the region.

Arctic shipping is another area where there appears to be potential for continued cooperation between China and the Nordic states. China's COSCO Shipping, one of the largest shipping companies in the world, possesses the largest fleet capable of navigating the Arctic shipping lanes.⁶⁸ China continues to be regarded as a preferred partner among some actors in the Nordic shipping industry.⁶⁹

The backlash against China in the Nordic Arctic might prompt China to reconsider some of its Arctic ambitions and how to achieve them. As China's access to the Nordic Arctic diminishes, it will increasingly rely on Russia to achieve its Arctic goals. Russia, which is

facing isolation in the Arctic because of its full-scale invasion of Ukraine, is increasingly reliant on Chinese funding and expertise for its Arctic projects. While China and Russia have deepened Arctic cooperation in several areas, tensions persist between the two countries, and there are signs that Russia is attempting to hedge against China by also inviting in other non-Arctic countries. The potential for and implications of deepened Sino-Russian cooperation will be explored in a forthcoming report.



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About the Swedish National China Centre

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