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Sinometer for November 2023

Vietnam's Island Expansion Aims to Counter China

By Colonel Dheeraj Kumar

As per media reports, Vietnam is dredging and filling out the Spratly Islands in the South China Sea (SCS), a move that appears to be aimed at countering China's assertive behaviour in the disputed waters. Recent Vietnamese expansion work in the Spratly Islands, which began in 2021, was most noticeable at Barque Canada Reef. Vietnam has controlled the Barque Canada Reef since 1987, but its sovereignty is challenged by China, Taiwan, and Malaysia.¹

Reportedly, Vietnam's reclamation work on Barque Canada Reef, known as Bai Thuyen Chai in Vietnamese, is the largest Vietnam occupied feature in the Spratly Islands. Since July, nearly 0.56 square kilometres has been reclaimed, and may involve building a second airfield on the Vietnam occupied features.²

Citing several Vietnamese military sources, Radio Free Asia stated that the Vietnamese government and army 'put a great importance on the development' of Barque Canada Reef. 'The entire reef being roughly 50 sq km [12,355 acres], has big potential.' Tom Shugart, an Adjunct Senior Fellow with the Defence Program at the Centre for a New American Security in Washington, D.C., said that "another base and runway would give Vietnam a position on the other side of China's 'Big Three Islands', bracketing them to some degree and certainly helping them get better coverage and capacity within the area."³



According to a study published by the Asian Maritime Transparency Initiative (AMTI), Vietnam increased the pace of dredging and landfilling in its Spratly's outposts during the second half of 2020. The AMTI report, 'Vietnam's major Spratly expansion', stated that the move established approximately 420 acres of new land for Vietnam, bringing the total amount of its claimed territory to 540 acres, in the last 10 years. Landfill activities have expanded four features in the SCS i.e., Namyit Island, Pearson Reef, Sand Cay, and Tennent Reef. However, these efforts are still falling short of China's 3,200 acres of reclaimed land from 2013 to 2016.⁴

As per Gregory Poling, director of the AMTI, "The continued dredging and construction work shows that Vietnam remains very anxious about China's militarisation and coercive behaviour in the SCS and is working to ensure it can maintain access to the reefs and waters claimed by Hanoi".

Since 2013, Vietnam and the other claimant states have watched China build artificial islands and the international community has protested to little practical effect, according to Raymond Powell, director of Stanford University's Project Myoushu in the SCS. Powell opines that "At this point, these features are fully militarised bases from which China effectively projects power deep into its neighbours' exclusive economic zones. Therefore, Vietnam has drawn the conclusion that it has little choice but to respond with its own such campaign. It is likely that other SCS claimants, the Philippines and Malaysia, would eventually feel compelled to take similar steps. China will doubtless draw attention to those efforts and claim that they are violations of the '2002 Declaration on the Conduct of Parties in the South China Sea', but China's flagrant, serial violation of that agreement makes it a non-credible voice on that subject.

The landfill efforts by Vietnam in SCS appears to be a calibrated endeavour to strengthen its hold and influence over the claimed exclusive economic zone and improve its defensive posture in the contested waters. The extended areas of the Islands which are undergoing landfilling would facilitate Vietnam to beef up its military infrastructure and build capacity to react to safeguard its national interest. However, the Vietnamese plans are likely to evoke response by other stake holders especially Philippines and Malaysia, who may also rush to initiate landfill projects on other islands thereby leading to confrontation with China.



Analysing the Recent Xi and Biden Meeting

By Manav Saini



President Xi Jinping of Peoples Republic of China (PRC) and President Joe Biden of the United States (US) met at the Filoli Estate in San Francisco on 15 November, 2023. The two leaders of state engaged in a direct and comprehensive discussion about broad, strategic topics that are vital to the future of China-US ties as well as important challenges affecting global peace and development.⁵ The talks aim for conflict management, as said by Joe Biden “does not veer into conflict” and manage bilateral relationships ‘responsibly’.⁶ Both leaders achieved progress in some important areas. They applauded the creation of a working group for continued communication and law enforcement coordination on counternarcotics concerns, as well as the restoration of bilateral collaboration to combat global illicit drug manufacturing and trafficking, particularly synthetic drugs like Fentanyl.⁷ President Biden emphasised that the US’s efforts to combat the growing menace of illicit synthetic narcotics and to lessen the flow of precursor chemicals and pill presses to drug gangs will be furthered by this new action.⁸

Xi told Biden, “The world has emerged from the COVID pandemic, but is still under its tremendous impacts. The global economy is recovering, but its momentum remains sluggish,” he added, “The most important bilateral relationship in the world,” and said he and Biden “shoulder heavy responsibilities for the two peoples, for the

world, and for history.”⁹ Moreover, “For two large countries like PRC and the US, turning their back on each other is not an option.”¹⁰

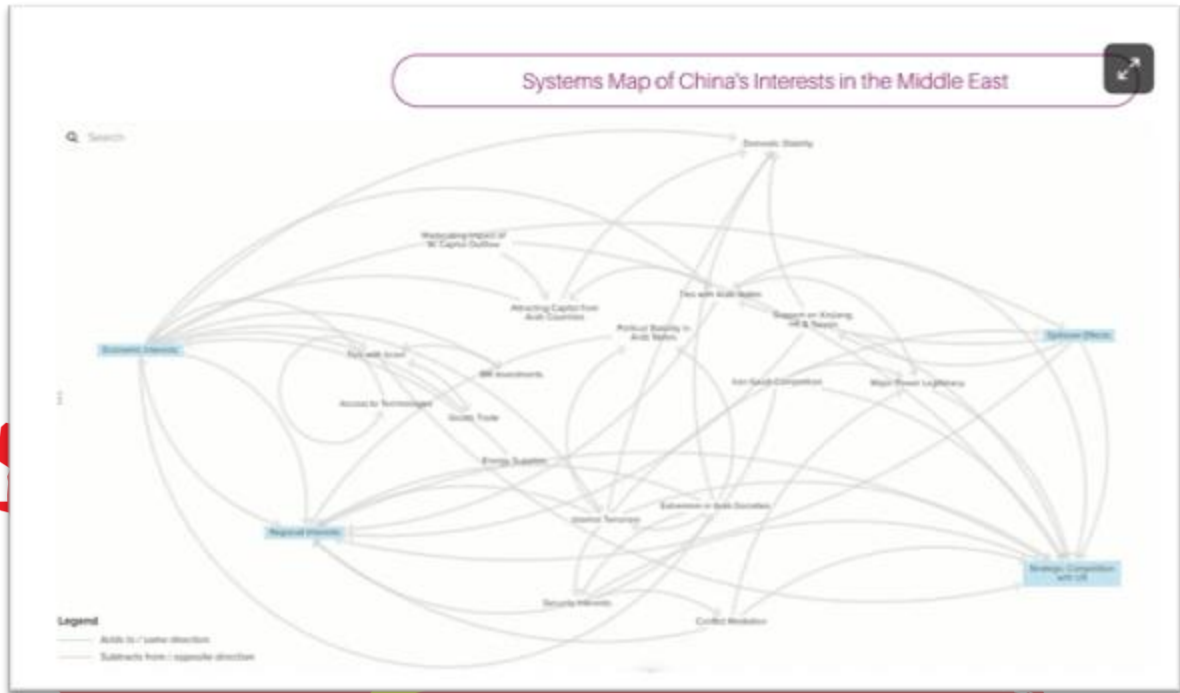
Talks also occurred on the topics viz Russia-Ukraine war, the Israel-Hamas war and instability in the Taiwan Strait. The US supported Ukrainian and Israeli efforts to protect their land.¹¹ Concerns were voiced by Biden about violations of human rights in the PRC, particularly in Tibet, Xinjiang, and Hong Kong. Regarding Taiwan, Biden underlined that one-China policy has remained constant over decades and presidential administrations.¹² President Xi Jinping emphasised on PRC’s determined stance on Taiwan. He stated that the Taiwan issue remains the most important and sensitive topic in China-US ties. The encouraging words made by the US at the Bali meeting are taken seriously by China.¹³ The Foreign Ministry of the PRC stated after the meeting that the US should take concrete steps to honour its commitment to oppose ‘Taiwan independence’, stop arming Taiwan, and assist China’s peaceful reunification.¹⁴ They added that China will achieve reunification, which is unstoppable.¹⁵

He reaffirmed that the world wants peace and stability in the Taiwan Strait and that the US opposes any unilateral changes to the status quo from either side.¹⁶ He noted that we expect cross-strait disputes to be settled peacefully. He urged moderation in the PRC’s use of force in the Taiwan Strait.¹⁷



China's Stance on Israel-Hamas Conflict: Implications for its Geo-Political Ambitions

By Colonel Dheeraj Kumar



China's diplomatic efforts since the 07 October, 2023, attack on Israel, indicate a clear decision to lean in favour of the Palestinian side. This decision appears to be driven by a mix of economic and strategic interests, particularly China's strategic competition with the United States (US). In this context, Beijing appears to be viewing Israel as an extension of American power in the region and seems to be willing to accept a damaged future relationship with Tel Aviv. In return, it is seeking to build deeper partnerships with Arab states and position itself as a leader of the Global South.¹⁸

Post Hamas Strike, Chinese foreign ministry in a brief statement expressed concern over escalation of tensions and violence between Palestine and Israel and stressed upon importance of a 'Two State Solution'. However, the Chinese official did not condemn Hamas's action. As per experts, China's initial response to the conflict was cautious and equivocal in apportioning blame. Chinese President Xi Jinping on the side-lines of the BRICS summit in 23 November stated, "it is necessary to ensure the safe and unimpeded passage of humanitarian assistance and stop the collective punishment against the people of Gaza through forced eviction, as well as turning off water, electricity and oil".¹⁹ The Chinese diplomats insist that country's right to self-defence should be guided by international law and

not come at the expense of innocent civilians. Since then, Beijing has called for multilateral and peaceful solutions to the conflict of the kind promoted by the United Nations (UN), where Beijing took the helm of the powerful Security Council earlier this month. China, which has expressed its desire to be a peace broker in the Middle East, this week, welcomed the announcement of the four-day truce between Israel and Hamas that took effect on Friday. Chinese state media was quick to claim credit on Beijing's behalf, with the state-run Global Times saying the ceasefire could be attributed to multiple factors including 'the latest UN Security Council resolution adopted under China's rotating presidency' and 'the strong voice of the Global South'.

China's stance has been a cause of concern for the analysts. While some see a clear pro-Palestinian through-line in Beijing's foreign policy, others argue it is simply mirroring a global balance of opinion that is increasingly critical of Israel's bombing campaign. Chinese Foreign Minister Wang Yi told a group of visiting diplomats from the Organisation of Islamic Cooperation, Palestine, Saudi Arabia, Egypt, Jordan, and Indonesia that China was a 'good friend and brother of Arab and Muslim countries and a firm supporter 'of the cause of the Palestinian people'. Chinese Foreign Minister Wang articulated China's proposal on the Gaza situation. He said:²⁰

- A ceasefire was 'top priority'.
- 'Israel should stop its collective punishment of the people in Gaza'.
- 'Any solution to the current situation should not deviate from the two-state solution and should be conducive to regional peace and stability'.
- 'The UN Security Council should heed the call of Arab and Islamic countries and take responsible actions to de-escalate the situation. As the rotating presidency of the Security Council, China will continue to strengthen coordination with Arab and Islamic countries to build consensus and push for further meaningful actions by the Security Council on the situation in Gaza'.
- China calls for an early convening of an international peace conference with greater scale, scope and effectiveness, and a timetable and roadmap for this purpose.

Amidst these developments, some Chinese political pundits and diplomatic officials are drawing comparisons between Gaza and Xinjiang in what appears to be an attempt to suggest that while Beijing's policy in Xinjiang has brought prosperity to its predominantly Muslim population of Uyghurs, the West and Israel's policies in Gaza have wrought destruction. The Chinese Embassy in France on Monday posted a photo comparison on X showing a devastated Gaza versus a highly developed Xinjiang, writing 'Untitled'. The photo went viral among China and Palestine watchers who criticised Beijing for attempting to whitewash what many have described as a cultural genocide of Xinjiang's Uyghur community. China's director of cultural affairs in Pakistan also shared, and then later deleted, the same post, Newsweek reported. While the Middle East has criticised Israel's actions in Gaza, the war hasn't dented China's autocratic reputation in the region because Middle Eastern leaders "appreciate that China does not lecture them about human rights", the Economist writes. Instead, its rulers have endorsed China's 'legitimate' actions in Xinjiang,

which have reportedly included destroying mosques, jailing imams, and sending millions of Muslims to 're-education camps'. China has framed these actions to counter 'political Islam' which appeases many Middle Eastern countries. Also, given the Arab-Turkish rivalry, many countries aren't keen to denounce China's treatment of Uyghurs because they're Turkic, the Economist argues.²¹

Chinese Geo-Politics in the Region

Economic interests remain the primary prism through which Beijing views the region. China is the largest trading partner for Arab countries. The value of trade between them reached a record USD 430 bn in 2022. Energy is the key component of this trade²²; China is increasingly dependent on oil imports from the Middle East, which account for over 50 per cent of Chinese oil imports.²³ Official data assesses China's dependence on crude oil imports at over 70 per cent. While China's energy imports from Russia have spiked sharply following the war in Ukraine, Saudi Arabia remains among China's top two suppliers of crude oil, and oil imports from Iran have significantly risen to more than one million barrels a day. Qatar ranks as among China's top sources of liquefied natural gas. Addressing the first China-GCC summit in December 2022, Xi Jinping underscored the importance of the region to China's economy; he called for building a 'new paradigm of all-dimensional energy cooperation' under which China would 'continue to import large quantities of crude oil on a long-term basis from GCC countries.'²⁴ Instability in the region, therefore, would seriously jeopardise China's energy security. This would in turn have significant domestic stability implications.

Further, the Middle East is key to the success of the Belt and Road Initiative (BRI). Beijing has invested billions of dollars in Gulf economies in the form of construction projects, infrastructure investments, joint technology projects, etc.²⁵ Protecting Chinese capital, enterprises, assets, and manpower in the region, therefore, is crucial for Beijing. At the same time, China is also keen to attract financing sovereign wealth funds from the region.

In contrast, while China's economic engagement with Israel has expanded, the scale and strategic significance is limited when compared to ties with Arab states. China is Israel's second-largest trade partner, with goods trade crossing the USD 20 bn mark. A large chunk of this is Chinese exports to Israel. Chinese imports from Israel in 2022 were merely USD 4.5 bn, with key products being computers, electronic and optic equipment, minerals and mining materials, chemicals, metals, food, and beverages, etc. None of these imply critical vulnerabilities, unlike energy imports. Moreover, since the launch of the BRI, Chinese investments in infrastructure, ports and technology assets in Israel have also spiked significantly.²⁶

However, given the intensification of Sino-US strategic competition and changes in American policies in the Middle East, there has been a shift in China's engagement too. This change is a product of the Chinese leadership's evolving worldview about the unprecedented changes that it believes that world is currently experiencing.

From Beijing's perspective, the world is in a new era of turbulence and volatility. A 'great transformation' which engenders a 'great state of disorder', is currently underway, and the international balance of power is undergoing 'unprecedented' and 'revolutionary changes. These are reflected in the rise of

developing countries and emerging economies; the shifts in patterns of globalisation and the emergence of protectionism, populism, and unilateralism; and key changes taking place in scientific and technological domains. In this situation, while the West continues to enjoy relative superiority, the geopolitical and geo-economic balance of power is shifting toward the east. Within this context, it believes that China possesses significant strategic advantages and opportunities but also faces increasing risks and challenges in pursuing national rejuvenation and emerging as a global power. This situation, therefore, demands a more forceful and proactive approach to shape a 'new type of international relations.

Viewed from this prism, Beijing is approaching the Middle East as one of many theatres where it is competing with the US. Within this context, there appears to be enduring suspicion of Israel as an American partner in Beijing. This is coupled with an alarming rise in antisemitic paranoia among Chinese commentators and analysts.

In contrast, Arab states are viewed as historical partners with a shared perspective on issues of values such as sovereignty, human rights, interference in internal affairs and independent choice of development paths. This is not merely strategically salient but also critical for China domestically, as Beijing relies on Arab states' endorsement to legitimise its repressive assimilationist policies against Uighur Muslims.²⁷

Beijing's decision to throw its lot behind the Palestinian side, therefore, can be understood as a product of this mix of economic and strategic calculus. Israeli analyst Gedaliah Afterman explains the trade-off succinctly, arguing that "China has shown that Israel does not rank highly in its strategic calculations and that damage to its relationship with Israel is manageable collateral in the more important regional and geopolitical strategic game".²⁸ The key risks, however, are the eruption of a larger regional conflict along with the resurgence of radicalism and terrorism across the region.



China-Uruguay Comprehensive Partnership: Bilateral Advancements and Trade Dynamics

By Nandini Agarwal



On 22 November, Chinese President Xi Jinping held talks with Uruguayan President Luis Alberto Lacalle Pou in Beijing. The two heads of state declared the advancement of bilateral relations to the status of a comprehensive strategic partnership.²⁹ Starting from this new point, the two countries are anticipated to carry out enhanced cooperation and increased people-to-people exchanges. This development is poised to invigorate collaboration

not only between China and Latin America but also between China and the Southern Common Market (Mercosur).³⁰ President Xi Jinping conveyed to his Uruguayan counterpart, that China is prepared to view the establishment of a comprehensive strategic partnership as a fresh beginning.³¹ He emphasised China's readiness to collaborate with Uruguay in enriching cooperation between the two nations. China, the world's second largest economy, holds significant investments in South America. Additionally, it has extended the offer of tariff-free access to its vast consumer market to four countries in the region.

In 2021, President Lacalle Pou of Uruguay initially proposed a Free Trade Agreement (FTA) with China, seeking similar opportunities for Uruguayan exporters as enjoyed by Chile, Costa Rica, Ecuador, and Peru.³² The objective was to enhance exports of raw materials, industrial goods, and technology. However, Uruguay has encountered resistance from other members of the Mercosur bloc, who advocate for pursuing an FTA with Europe instead. As of now, Beijing does not provide tariff preferences for Uruguayan beef. Notably, Uruguayan beef constituted 67 per cent of the country's exports to China in 2022. In this market, there is a 12 per cent tariff on meat, according to data from the United Nations COMTRADE.³³ In contrast, leading beef-exporting nations such as Australia and New Zealand, benefiting from their respective FTAs with China, face tariffs of 3.3 per cent and 0 per cent respectively.³⁴

As part of its global pursuit of natural resources, China has focused on Latin America, drawing many countries into its decade-old Belt and Road Initiative (BRI) infrastructure project. Recently, Brazil has reaffirmed its robust connections with China under the leadership of President Luiz Inacio Lula da Silva. In contrast, Argentina's president-elect, Javier Milei, had previously raised the possibility of severing ties with China during his campaign.³⁵ Additionally, Paraguay maintains

diplomatic relations with Taiwan. However, in discussions with his Uruguayan counterpart, President Xi Jinping expressed a commitment to fostering China-Uruguay relations, aiming for them to serve as a model of solidarity and cooperation.

In 2018, Uruguay made history as the inaugural Mercosur country to sign a memorandum of understanding with China regarding the BRI.³⁶ Over the subsequent five years, collaboration between the two nations has consistently deepened within the BRI framework. According to Uruguay's Foreign Minister Omar Paganini, the BRI fosters the advancement of 'trade and associated services, logistics, and infrastructure'. Paganini further highlighted the significant potential for development in technology and electric mobility, viewing the relationship with China as highly promising.³⁷

China has made substantial investments in Uruguay's infrastructure development, energy sector, and rail and road networks. These investments are crucial for Uruguay's development and serve to redirect China's industrial surplus while expanding exports beyond its borders. Since 2016, both countries have been signatories of an FTA. Uruguay actively supports China's BRI projects in Latin America and has created opportunities for incorporating Chinese labour into its infrastructure sector. Given its role in supplying raw materials and natural resources, Uruguay holds strategic importance for Chinese imports.

Uruguay adheres to the 'One China Policy' and does not maintain an office in Taiwan. The strategic partnership between China and Uruguay is expected to further bilateral economic interests, promote shared growth, and potentially facilitate political collaboration, especially in addressing the Taiwan issue in the foreseeable future.



China's biggest Lender Bank ICBC hit by Ransomware Attack

By Manav Saini



A ransomware attack targeted a United States (US) branch of the Industrial and Commercial Bank of China (ICBC), occurred on November 8, 2023.³⁸ It led to the disrupting some of its systems and perhaps impacting US Treasury liquidity and short-lived market sell-off on 09 November 2023.³⁹ ICBC Financial Services, which has its headquarters in New York, reported it to the police in a statement.⁴⁰ China's foreign ministry said on November 10 that the lender is striving to minimise risk impact and losses after the attack.⁴¹

Hackers usually lock up the systems of a victim organisation and demand a ransom to unlock it. They frequently also steal sensitive data for extortion. The hack is thought to have been carried out by the aggressive cybercrime gang Lockbit, according to a few ransomware experts and analysts. However, ICBC was not listed as a victim on the gang's dark web site, where it usually posts the names of its victims.⁴²

Allan Liska, a ransomware expert at the cybersecurity firm Recorded Future believes Lockbit was behind the attack, he noted that ransomware hackers don't name and shame their victims during negotiations.⁴³ "This attack continues a trend of increasing brazenness by ransomware groups," he said. "With no fear of repercussions, ransomware groups feel no target is off limits." However, ICBC didn't mention if Lockbit was behind the ransomware attack.⁴⁴

Cybersecurity protection must become the top priority of nations. There is a need for global collaboration on making and strengthening international laws on cybersecurity to increase the cooperation and information gathering, in case of cyber-attacks.

Nations should set up systems for exchanging threat intelligence, sharing best practises, and coordinating cyberattack responses. This coordinated approach can aid in the prevention of attacks, mitigation of the harm caused by successful breaches and locating the culprits. Close collaboration between public and private partners is therefore essential. With its global reach, the International Criminal Police Organisation (INTERPOL) plays a critical role in fostering cross-sector cooperation and facilitating international law enforcement cooperation. Therefore, effective use of INTERPOL must be taken by various countries.





2023 Pneumonia Outbreak in China

By Manav Saini



In November 2023, a surge in respiratory illnesses swept across northern China, primarily affecting children. The outbreak, characterised by symptoms such as fever, cough, and pneumonia, which sent shockwaves through the region, causing a strain on hospitals, and raising concerns among the public.⁴⁵ Beijing and Liaoning remain the two major hubs of the outbreak.⁴⁶

On 13 November, the National Health Commission of China acknowledged an increase in respiratory diseases, attributing it to the lifting of COVID-19 restrictions and the circulation of known pathogens like influenza, mycoplasma pneumoniae, and respiratory syncytial virus.⁴⁷ Beijing's schools are reporting high absenteeism rates. In extreme cases, classes may be cancelled for at least a week in the event that some students are absent.⁴⁸ According to experts, the high incidence in children is actually a good thing, meaning that older people may have some immunity to the pathogens that are spreading widely.⁴⁹ This would presumably imply that people are likely to benefit from the current vaccinations in terms of disease prevention. But in addition to kids, pregnant women and the elderly might also be at risk.

Chinese authorities have urged the public to increase awareness and take preventative action, even though they have refrained from reintroducing the strict restrictions that were in place during the COVID-19 pandemic.⁵⁰ According to Chinese officials, mycoplasma pneumoniae will remain high in some areas for the foreseeable future, and influenza will peak this winter and in the spring. Additionally,



they have called for tightening the reporting procedures and cautioned about the possibility of a rebound in COVID-19 infections.⁵¹

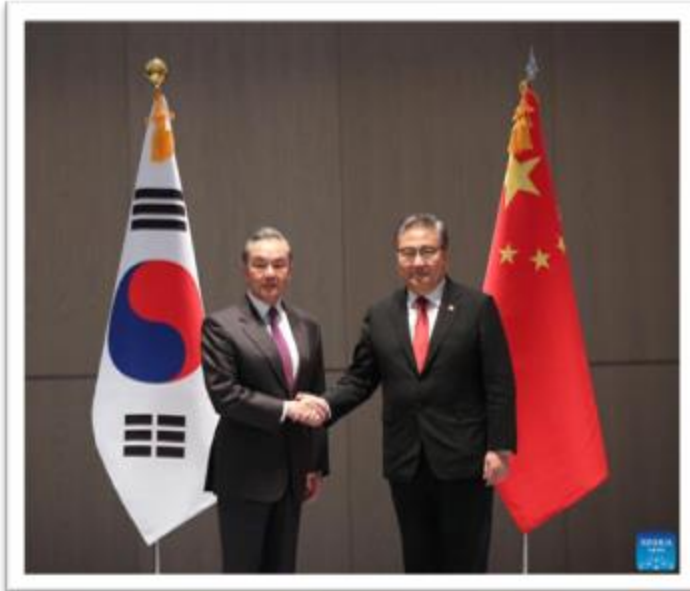
Vigilance must be maintained in India; random testing can be done of the people coming from China to India. The outbreak remains fairly contained for the time being due to active testing and surveillance by the Chinese authorities. Moreover, according to reports the vaccine of this outbreak is likely to be available.⁵² Therefore, chances of this outbreak going global remain slim.





Deepening China-South Korea Cooperation

By Nandini Agarwal



On 26 November, China and South Korea reaffirmed their commitment to a strategic cooperative partnership and expressed a shared intention to continue progressing in this collaborative direction.⁵³ Chinese Foreign Minister Wang Yi, also a member of the Political Bureau of the Communist Party of China Central Committee, engaged in discussions with South Korean Foreign Minister Park Jin during the trilateral foreign ministers' meeting involving China, Japan, and South Korea in Busan, South Korea. Wang highlighted the

extensive and swift development in the bilateral relations since the establishment of diplomatic ties more than 30 years ago. He underscored the mutual accomplishments and collective prosperity, emphasising the substantial benefits experienced by both nations and their contributions to regional peace and stability.

Significant transformations have occurred in both the international and regional contexts, leading to new dynamics in China-South Korea relations. China is ready to work with South Korea to enhance exchanges and communication, adhere to the original aspirations of establishing diplomatic ties, maintain mutual respect and trust, resist external interference, and reaffirm and continually enrich the bilateral strategic cooperative partnership.⁵⁴ China and South Korea have evolved into cooperative partners with deeply intertwined interests and highly integrated production and supply chains. Leveraging its comprehensive industrial system and vast market, China is poised to open at an elevated level, presenting ongoing opportunities for mutually beneficial cooperation with South Korea.⁵⁵

The two sides ought to jointly resist the trend of politicising financial matters, instrumentalising scientific and technological issues, and pan-securing economic and trade concerns. It is essential to maintain stable and smooth production and supply chains while advocating for the enhanced development of economic and trade cooperation between them.⁵⁶

South Korea is ready to enhance dialogue and communication with China at various levels, deepen economic and trade cooperation, maintain the stability of the supply chain, promote cultural and people-to-people exchanges, and strive for new advancements in the bilateral strategic cooperative partnership.⁵⁷ In addition to

strengthening bilateral cooperation, South Korea and China can collaborate towards promoting peace and stability in East Asia and the broader global context.

China's diplomatic efforts may also be directed at addressing the rifts that emerged in bilateral relations due to past events, such as the deployment of the terminal high altitude area defence weapon system in South Korea and incidents of intellectual property theft, as well as the establishment of a secret police station in South Korea. China seems to view its engagement with South Korea to navigate strategic competition with the United States. Simultaneously, the objectives of South Korean leaders regarding North Korea play a significant role in shaping efforts to foster more amicable political ties with China.⁵⁸





Does Collaboration in the Arctic Pose Risks and Rewards for China-Russia Relations?

By Nandini Agarwal



The Arctic Ocean, situated amid North America, Europe, and Asia, played a pivotal role during the Cold War as a mysterious battleground, where Soviet and US submarines shadowed each other beneath the icy surface. In the present day, escalating tensions between Russia and the West, intensified by the conflict in Ukraine, raise apprehensions about the potential resurgence of geopolitical competition in this frigid region. In the Cold War era, the Arctic served as a crucial

route for the shortest flight paths of intercontinental missiles and nuclear-armed bombers between the Soviet Union and NATO allies. Today, as the Arctic's ice caps rapidly diminish, new sea lanes and access to valuable resources are emerging, sparking concerns that the Arctic could evolve into one of the world's strategically crucial maritime routes.⁵⁹

China, actively expanding its economic, scientific, cultural, and diplomatic ties with various Arctic nations, now faces an increasing risk of being entangled in geopolitical conflicts in the region.⁶⁰ During the recent Belt and Road Forum for International Cooperation in Beijing, Russian President Vladimir Putin extended an invitation for global investment in Russia's Arctic region.⁶¹ Shortly thereafter, at the Arctic Circle Assembly in Reykjavik—an annual assembly involving governments, indigenous organisations, and academics—NATO Admiral Rob Bauer criticised the increasing collaboration between Russia and China in the Arctic.⁶² He voiced apprehension about the growing competition and militarisation in the Arctic region, particularly driven by Russia and China.⁶³

Following the Russian invasion of Ukraine, China, in defiance of Western economic sanctions, has significantly escalated its engagement in the Arctic region. This involves substantial investments, amounting to tens of billions of dollars, in infrastructure projects situated above the Arctic Circle. Additionally, China has been purchasing Russian oil and gas, with a portion of these resources being transported through the Northern Sea Route. Furthermore, Chinese naval vessels have been participating in regular sailings off the coast of Alaska alongside their Russian counterparts since 2021.⁶⁴ Chinese business leaders have ventured into Russia's

Arctic region, including the resource-abundant Nenets Autonomous Okrug, which stands as the least densely populated area in the Russian Federation.⁶⁵ While China and Russia share the perspective that North Atlantic Treaty Organisation poses a hindrance to their Arctic strategies, it is improbable that the region will become a focal point in the rivalries among the United States, China, and Russia. Nevertheless, there is a substantial likelihood of spillover effects, considering the ongoing expansion of economic activities in the Arctic Ocean. China is expected to continue its business and scientific collaboration with Russia in the Arctic, but it may encounter growing risks, including unpredictable returns and trade-offs in the market due to potential sanctions.

End Notes

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