

A View from the West: China, Japan, South Korea Look North

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Until recently, sustained interest in the Arctic was limited to countries with Arctic territory. Now, as the Arctic has slowly opened, more states are seeing potential for the Arctic Ocean region to be a global commons. The Arctic has been changing rapidly in the past decade; in 2007 and again in 2012 sea ice levels hit record lows. This trend has continued, with the National Snow and Ice Data Center reporting that ice levels set another record low in 2015 at 580,000 square kilometres smaller than May 2012, and analysts predict that 2016 could have another record low ice level.¹

The opening of the Arctic presents opportunities for untapped resources (oil, minerals and fish) and new shipping lanes such as the Northwest Passage (NWP) and the Northern Sea Route (NSR). The resources are of interest but, given that a majority of them are within the Exclusive Economic Zones (EEZ) of the Arctic states, the primary international focus is currently the potential shipping lanes. While the NWP is often mentioned when talking about Arctic transit/travel, the NSR is already an active trade route, and due to the pattern of ice melting, the NSR will become economically viable sooner than the NWP.² The NSR is entirely within Russia's EEZ and transits have been increasing, due to less harsh weather conditions. The NSR is of obvious interest to Pacific countries and could set an important precedent for Canada's NWP.

The eight Arctic states – Canada, Denmark (via Greenland), Finland, Iceland, Norway, Russia, Sweden and the United States – formed the Arctic Council in 1996. Currently, it is comprised of the eight permanent members, plus observers, non-governmental organizations, inter-governmental organizations and Indigenous peoples.

Despite possessing zero Arctic territory, Asian interest in the region is increasing. In May 2013 China, South Korea

and Japan were granted permanent observer status on the Arctic Council. Observers must recognize the sovereignty of Arctic states, possess both a political and financial will to cooperate, and are subject to a re-evaluation of their status every four years and can only remain observers if a consensus among all permanent members still exists. This status means that while they cannot participate directly in political and economic talks about the Arctic, they can observe the proceedings, participate in working groups and, with a permanent member's support, present proposals to the council. There was tension about granting the Asian states observer status, and concern about potential diplomatic and economic repercussions if the status was not granted. Given Canada's expanding interest in trading with Asia, this was certainly a consideration.

Chinese, Japanese and South Korean Interests in the Arctic

While China currently has no official Arctic policy, its interest in the Arctic has been increasing in recent years. Because it has no Arctic territory, China is forced to cooperate, and must recognize the sovereignty claims of the Arctic states. Therefore China has found alternative ways to build an Arctic presence. One way is through China's large Arctic research program, which has the largest non-nuclear icebreaker in the world and a second smaller icebreaker which was commissioned in early 2016. Climate change in the Arctic has been linked to changes in weather on mainland China, giving a justification for research in the Arctic to explore what climate change may occur in China. Beijing seems intent on strengthening this Arctic presence, and has stated its intention to explore the international waters in the Arctic, based on the United Nations Convention on the Law of the Sea (UNCLOS). In 2012, the icebreaker *Xuelong* became the first Chinese vessel to cross the Arctic Ocean, and in 2013 the first



Yong Sheng arriving in Rotterdam, 10 September 2013. *Yong Sheng* was the first commercial Chinese ship to transit through the Northern Sea Route, which connects the Atlantic and Pacific oceans by way of the Bering Strait and Russia's northern coast.

Credit: Robin Utrecht /AFP/
Getty Images



Credit: Korea Polar Research Institute

The South Korean icebreaker RV Araon on a research cruise in 2010.

container ship to transit the NSR was China's *Yong Sheng*. In 2015, China sailed five warships through the Bering Strait and, shortly after, Chinese naval vessels paid port visits for the first time to Sweden, Finland and Denmark.

The reason for this Arctic presence is easy to understand when you look at the potential gains for China. China is heavily reliant on trade: of the 10 busiest ports in the world, seven are in China. When the Arctic routes are passable, they are on average 40% quicker than traditional routes such as the Panama or Suez Canals, which represents a reduction of a week in sailing time, or an estimated savings of USD \$600,000 per vessel per trip.³ Reportedly, China has plans to have 5-15% of its container traffic on Arctic routes by 2020.⁴ Given that Arctic states have direct control of the Arctic trade routes, China wants to be able to observe talks that affect these routes.

Japan's primary polar focus had been on the Antarctic, but this has changed in recent years. Japan has a long history of Antarctic research – the National Institute of Polar Research launched its first Antarctic mission in 1956 – and Japan launched a new icebreaker in 2008. However, it was not until recently that Japan shifted focus to the Arctic, when its resource dependency reignited industry interest in Arctic shipping lanes. Japan has been slower than its Asian counterparts in showing interest in the Arctic – it was the last to apply for observer status among these Asian states – but Tokyo has been steadily increasing its Arctic programs in an effort to catch up. In 2008 Japan published its interim Arctic policy, and adopted the final version in 2015, which seeks to increase research and explore strategic opportunities, specifically the NSR. As well, given Japan's proximity to the Bering Strait, Japan stands to gain from increased traffic at its ports and the potential to become a central hub in Asia.

South Korea has had a long Arctic research program – the central research agency, Korean Polar Research Institute, has focused on Arctic governance, policy, research and industry since 1987. South Korea also has a lot to gain from shorter shipping routes. When compared to the Suez Canal route, the NSR route from the Busan port to St. Petersburg, Bremen and Rotterdam reduces transit lengths by over 3,000kms, or 37%.⁵ As a country that imports over 90% of its oil, shorter shipping routes could mean significant savings.

South Korea has been ramping up its Arctic research and diplomatic activities in recent years. It built its first icebreaker, *Araon*, commissioned in 2009, and makes annual trips to the Arctic. In 2013, South Korea wrote its Arctic policy, and the "Master Plan for Arctic Policy" was announced in December. The plan spans 2013-2017 and aims to increase international cooperation, explore and promote Arctic business (shipping, fishing and shipbuilding), and expand Arctic research. The plan also outlines 31 specific projects to undertake, marking a concerted effort to increase South Korea's Arctic presence.

In recent years, there has been increasing collaboration among these three Asian states in their polar ambitions. The first South Korean scientist to go to the Arctic was on board a Chinese research vessel, and a Japanese scientist traveled with the South Korean icebreaker *Araon*. South Korea and China signed a Memorandum of Agreement in 2008 to collaborate on polar research. Japan did not enter into formal agreements with China at that time, but in April 2016, Japan, China and South Korea held their first high-level collaboration talks on the Arctic in Seoul. From these talks, the three states agreed to work together to increase scientific research on the Arctic, and help each other further their Arctic interests. This marks the first time these three countries have officially collaborated on the Arctic. Japan will host the next set of trilateral talks, although no timeline for this has yet been released.

Conclusion

Given Asia's interest in the Arctic shipping routes, Canada has a great opportunity to capitalize on the NWP to gain international influence and potential revenue. Despite the unpredictability of the ice levels, as the Arctic continues to open, international attention will turn to the region, leaving those who have already staked an interest with an important edge. 🍷

Notes

1. National Snow and Ice Data Center, "Low Ice, Low Snow, Both Poles," June 2016, available at <http://nsidc.org/arcticseaicenews/2016/06/low-ice-low-snow-both-poles/>.
2. Linda Jakobson and Seong-Hyon Lee, "The North East Asian States' Interests and Possible Cooperation with the Kingdom of Denmark," Stockholm International Peace Research Institute, April 2013, p. 1.
3. *Ibid.*, p. 9.
4. Hugh Stephens, "The Opening of the Northern Sea Routes: The Implications for Global Shipping and for Canada's Relations with Asia," *SPP Research Papers*, The School of Public Policy, University of Calgary, Canadian Global Affairs Institute, Vol. 9, No. 19 (May 2016), p. 4.
5. Yeong-Seok Ha and Jung Soo Seo, "The Northern Sea Routes and Korea's Trade with Europe: Implications for Korea's Shipping Industry," *International Journal of e-Navigation and Maritime Economy*, Vol. 1 (December 2014), p. 80; and Jakobson and Lee, "The North East Asian States' Interests and Possible Cooperation with the Kingdom of Denmark," p. 32.

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