



CHINA'S ARCTIC POLICY AND POLAR SILK ROAD

In recent years, China has been actively pursuing a policy of strengthening its naval position. The dynamically growing economic and diplomatic influence of China can be detected in nearly every maritime region of the world. Beijing's global interest to sea and ocean routes is growing rapidly due to its strong reliance on the supply of energy and raw materials from abroad as well as efficient maritime logistics. China not only builds military bases and transport ports in strategically important sea points, but even attempts to pursue an independent Arctic policy, although it is not related to the region geographically. China received an observer status in the Arctic Council in 2013, becoming the only country not bordering the Arctic region among 13 observers. In 2018, China published the White Paper on the Arctic policy referring to itself as "an important stakeholder in Arctic affairs" and a "Near-Arctic State". The white paper also linked the Arctic development goals of China with the Belt and Road Initiative (BRI) priorities. The Arctic Ocean is listed as one of the three routes in the "Vision of Maritime Cooperation" under the BRI.

China has several interests in the Arctic, such as climate change issues, opportunities for energy diversification, and the development of the Northern Sea Route (NSR), or the Polar Silk Road, jointly developed by Russia and China. The NSR which runs along the Russian coastline linking East Asia to Europe was first discovered in Tsarist Russia at the beginning of the 20th century and was widely used in Soviet times for exporting Siberian raw materials; it provided Moscow with a strategic link with the Russian Far East. It is well known that sea freight is much cheaper than the land one, which is an important factor for China, the third largest ship owner in the world. Despite the development of land transportation corridors, the bulk of China-produced goods are still exported via sea routes. Russia, which has always stood ready to protect its Arctic resources against potential foreign encroachment, has come to recognize the need to strengthen the Russian-

Chinese partnership in the Arctic, especially in the context of deteriorating relations between Russia and Western countries. This new trend can be recognized as part of Russia's so-called pivot to the East.

This cooperation between Moscow and Beijing is aimed at developing connectivity and trade between China, the Korean Peninsula, Japan and Europe through the territory of the Russian Far East and Northeast China. In 2013, the Chinese icebreaker Xue-Long (Snow Dragon) crossed the NSR for the first time. In May 2014, Russian President Vladimir Putin and Chinese President Xi Jinping signed a joint statement on bilateral cooperation, which included Russian commitments to facilitate Chinese trade traffic along the NSR route. Two months later, China issued a guide that included navigation maps, ice navigation methods and instructions, as well as information about the laws and regulations of countries along the route.

The NSR provides approximately 35 days of transit from Shanghai to Rotterdam, reducing the transit time by two weeks compared with the routes through the Strait of Malacca or the Suez Canal. It is worth noting that new opportunities for cooperation between Asia and Europe are opening up largely due to the global warming processes, which make possible to use the Arctic route. On the other hand, this route is recognized as more environmentally friendly, since it can potentially reduce carbon dioxide emissions by 52% compared to the Suez Canal way. According to Chinese estimates, by 2020 China will be able to transport from 5 to 15% of foreign trade freight from Shanghai (or Dalian) to the Arctic (Murmansk and Kirkenes) using this route. In 2019, the cargo transported through the NSR amounted to 20 million tons, and the volume is planned to increase to 80 million tons in 2024.

Most of Chinese investment is currently aimed at expanding the infrastructure of the southern shipping, rail and pipeline routes. However, Beijing also intends to spend resources on developing infrastructure along the Polar Silk Road, in parallel

to its infrastructure undertakings elsewhere, and currently builds an icebreaker fleet in the Arctic. Maritime transport of the Chinese COSCO company has already conducted about 30 trips along the NSR to deliver industrial items to the United Kingdom. In their bilateral cooperation on the Arctic, Russia and China are also focused on the development of infrastructure, including the construction of ports, submarine cables and airports. It is worth noting here that the Russian Far East is one of the country's regions that urgently needs investment, especially in infrastructure.

The Arctic region has rich energy and natural resources: about 30% of undiscovered natural gas and 13% of undiscovered crude oil in the world are located on its territory. Currently, the largest projects in the Arctic with China's participation are the Russian Novatek's Yamal LNG and Arctic LNG 2 projects, in which Chinese companies have significant stakes and financing shares. In return, China secured long-term offtake of Russian LNG of about 4 million tons per year. Thus, the development of oil and gas in the Arctic region has already started, and the Polar Silk Road is now more relevant for China as it provides a short supply route as well as enhanced energy security. Nevertheless, because of harsh climate, minimal infrastructure, the remoteness from production centers, and environmental risks, mining of Arctic resources remains difficult and expensive. Due to adverse marine conditions, these problems may present even greater challenges for future efforts to develop energy resources of the Arctic.

To sum up, as the new actor in the Arctic, China is just beginning to establish influence and make investment through the circumpolar Arctic. With the support of the Russian government, Beijing has the opportunity to develop alternative ways to deliver its goods from East Asia to Northern Europe and gain access to rich deposits of energy resources. Although the Polar Silk Road is still under development, it can become an alternative to traditional maritime routes in the future, especially given the intensifying global warming processes.

Politics, Foreign Affairs, and Security

- During his two-day official visit to Germany, President of Kazakhstan Kassym-Jomart Tokayev held talks with Chancellor Angela Merkel and President Frank-Walter Steinmeier to address a wide range of issues of mutual interest and review prospects for enhancing bilateral relations. President Tokayev also met with representatives of German business to discuss the existing and new joint investment projects (Akorda, 05.12.2019).
- A delegation consisting of representatives of Kazakh government agencies visited Washington to attend a meeting of the Kazakhstan-U.S. Commission for Enhanced Strategic Partnership Dialogue. The participants covered a wide range of political, economic and humanitarian topics, including cooperation in countering terrorism and drug trafficking, repatriation of Kazakh citizens from war zones, cybersecurity, trade and investment cooperation, and protection of human rights (MFA of Kazakhstan, 04.12.2019).
- A representative delegation of the Turkmen Mejlis took part in the Fifth Turkmenistan-EU Inter-Parliamentary Meeting held in Brussels. The parties considered ways to develop partnership in various areas as part of the updated EU Strategy for Central Asia. Particular emphasis was placed on regional security, the situation in Afghanistan, and the fight against terrorism, extremism, and drug trafficking (MFA of Turkmenistan, 02.12.2019).
- The UN Security Council's Counter-Terrorism Committee Executive Directorate conducted a follow-up assessment visit to Kyrgyzstan. The purpose of the visit was to monitor progress made by the country's relevant government agencies in implementing the committee's previous recommendations in the field of combating terrorism, violent extremism, and radicalization (Kabar, 03.12.2019).
- Special Representative of the President of Uzbekistan for Afghanistan Ismatulla Irgashev held talks with Deputy National Security Advisor to the Prime Minister of India Pankaj Saran and other Indian officials in Delhi. The parties discussed the efforts of the two countries to peacefully resolve the Afghan crisis and ways to restore the socio-economic infrastructure of Afghanistan (MFA of Uzbekistan, 04.12.2019).
- A working meeting of the foreign ministers of the CSTO member states was held in Bratislava on the margins of the 26th OSCE Ministerial Council. During the meeting, the ministers exchanged views on coordinating their countries' positions on the OSCE agenda and developing cooperation between the CSTO and the OSCE (CSTO, 05.12.2019).
- The SCO Secretariat in Beijing hosted a regular meeting of the SCO Council of National Coordinators. The participants discussed preparations for the SCO Summit in St Petersburg and reviewed the drafts of the SCO plan of main events and the program of cooperation between the SCO foreign ministries for 2020. They also discussed the results of the third UN-SCO high-level special event (SCO, 06.12.2019).

Economy, Finance, and Energy

- During his official visit to Russia, Prime Minister of Mongolia Ukhnaagiin Khurelsukh held talks with his Russian counterpart Dmitry Medvedev in Moscow and President Vladimir Putin in Sochi. The parties discussed issues related to the development of mutual cooperation in trade, economic, industrial, transport, energy, agricultural, and other fields, and signed 12 documents aimed at furthering Mongolian-Russian bilateral ties (Montsame, 03-05.12.2019).
- Iran and Tajikistan reached an agreement on using national currencies for bilateral trade in order to increase mutual economic and energy cooperation despite U.S. sanctions imposed on Iran. This was announced by Iranian Minister of Energy Reza Ardakanian and his Tajik counterpart Usmonali Yunusali Usmonzoda at a joint press conference in Tehran (PressTV, 03.12.2019).
- Kazakhstan topped the list of major trade partners of China's Xinjiang Uygur Autonomous Region. During January-October 2019, the trade between Kazakhstan and Xinjiang grew by 28.2% reaching 60.2 billion yuan (nearly \$8.6 billion). The region's total external trade during this period reached 131.5 billion yuan (about \$18.7 billion), which is 28% higher year on year (Xinhua, 03.12.2019).
- According to preliminary forecasts of Kazakhstan's Ministry of Energy, in 2019, the country will exceed the planned oil production of 89 million tons and extract 90.5 million tons. By 2023, oil production is expected to reach 100 million tons, mainly due to the future expansion of the Tengiz oil field which will cost nearly \$37 billion (Khabar 24, 06.12.2019).
- According to President of Uzbekistan Shavkat Mirziyoyev, in 2019, the country exported 1.3 million tons of fruits and vegetables for a total of \$1.1 billion. To ensure high quality of agricultural produce, \$109.2 million were invested in the construction of 180 up-to-date processing, storage and logistics facilities with a total capacity of 254,000 tons. The Uzbek government plans to increase exports of fruits and vegetables to \$5 billion in the next three years (Regnum, 07.12.2019).
- During his visit to Iran, Azerbaijan's Deputy Prime Minister Shahin Mustafayev met with President Hasan Rouhani and other senior Iranian officials to discuss bilateral trade and economic cooperation. The parties focused attention on Azerbaijan's role in transport projects linking Iran to Russia and Europe, in particular the North-South International Transport Corridor (AzerNews, 06.12.2019).
- Georgia, Moldova and Ukraine, three Eastern Partnership member states, signed a joint statement calling for closer cooperation with the EU. The document proposes the creation of the EU+3 format for sectoral integration in transport, energy and other fields, as well as granting the three countries full access to free movement of goods, services, capital and labor (Agenda.ge, 05.12.2019).

Society and Culture

- According to the Kazakh Ministry of National Economy, Kazakhstan is the most urbanized country in Central Asia with the urbanization level of 58.2%, and the priority of the government's regional policy is to ensure controlled urbanization. Currently, there are 87 cities and towns in Kazakhstan, three of which have more than one million residents (Kazinform, 03.12.2019).
- The first meeting of the subcommittee on culture of the Uzbekistan-Russia intergovernmental commission on economic cooperation was held in Tashkent. The parties addressed issues of deepening bilateral cooperation in education, cinematography, cultural heritage preservation, and library science. In particular, they signed agreements on opening branches of Russian universities and launching joint academic programs in Uzbekistan (UzA, 05.12.2019).
- The International Turkic Culture and Heritage Foundation, which implements projects aimed at promoting the rich cultural heritage of Turkic peoples, published a book in Italy in connection with the celebration of the 650th anniversary of prominent Azerbaijani thinker and poet Imadaddin Nasimi. The book called "Nasimi Poetry" includes more than 100 poems and verses of the poet (Azertag, 03.12.2019).
- The Ak Bugdai National Museum of Turkmenistan hosted a ceremony of accepting ancient artifacts found during seasonal archaeological excavations carried out at the country's historical and cultural sites in 2019. The museum was presented with over 90 silver dirhams found in the mausoleum of Sufi Sheikh Abusaid Abulkhayr, as well as with 29 decorated ceramic items (Turkmenportal, 03.12.2019).
- During the visit to Moldova, the delegation of TURKSOY met with Governor of the Autonomous Territorial Unit of Gagauzia Irina Vlah. The parties discussed future cooperation opportunities between TURKSOY and Gagauzia. Mrs. Vlah extended her gratitude to TURKSOY for promoting the culture of Gagauzia and pledged active support to the organization's activities (TURKSOY, 06.12.2019).
- The Turkic Council's Third International Youth Festival was held in Istanbul with the participation of about 150 young representatives of the organization's member and observer states. The event's program included workshops on youth empowerment projects and voluntarism, sessions devoted to presentations of the national delegations on their countries' youth policies and activities, and visits to Istanbul's youth centers (Turkic Council, 04-07.12.2019).
- Belarusian schoolchildren performed well in the Organization for Economic Cooperation and Development's Program for International Student Assessment (PISA) which was conducted in Belarus for the first time. According to the country's Ministry of Education, they demonstrated a fairly high level in all three areas measured by PISA – the 35-36th position in reading, the 38th position in mathematics and the 37th position in science (BelTA, 03.12.2019).