

FROM ARCTIC EXCEPTIONALISM TO STRATEGIC CONFRONTATION

Policy Brief No. 162, April 2026

As geopolitical conflicts around Iran and Venezuela, and the prolonged war in Ukraine continue to reconfigure global energy and maritime flows, the Arctic is ever more likely to come to the fore of the broader struggle over strategic corridors, sanctions resilience, and access to critical resources.

Russia's full-scale invasion of Ukraine in 2022 marked a decisive rupture in Europe's security environment and exposed the [global reach of the Kremlin Playbook](#) for weaponizing economic interdependencies. In addition, shortly before the invasion, Moscow deepened its strategic alignment with China under the banner of an **unlimited friendship** (无上限的友谊), signalling a broader challenge to the post-Cold War order. The Arctic has now emerged as one of the most consequential theatres of this geopolitical realignment.

The Arctic is **no longer peripheral to European security**. With Finland and Sweden having joined NATO, all Arctic states except Russia are now members of the Alliance, firmly **integrating the High North into the Euro-Atlantic security space**. At the same time, Russia's extensive Arctic coastline hosts its Northern Fleet and second-strike nuclear capabilities, while Greenland and Iceland remain critical to monitoring access to the North Atlantic.

China's self-designation as a **near-Arctic state** (近北极国家) and its expanding cooperation with Russia further underscore that **Arctic dynamics are global in scope**. European institutions have begun to acknowledge this shift. The European Parliament [has warned](#) that the Arctic is rapidly becoming a strategic arena shaped by military build-up, geoeconomic competition, and environmental change.

The **geopolitical context of the Arctic has fundamentally changed** in the wake of Russia's full-scale invasion of Ukraine. For decades, the Arctic was treated as a zone of exceptional cooperation - insulated from

KEY POINTS

- The Iran war has exposed Middle Eastern energy chokepoints, positioning the Arctic as the **next geopolitical flashpoint**. Russia's war in Ukraine has deepened EU–NATO alignment while exposing transatlantic rifts, including over Greenland.
- Russia has long consolidated the Arctic as a **militarized economic bastion**, combining nuclear posturing, control over the Northern Sea Route, and hybrid tactics with closer alignment with China to **challenge NATO's northern flank** and exploit enforcement gaps.
- Arctic energy and shipping routes are **key channels for sanctions evasion**. Gaps in LNG restrictions, Russia's shadow fleet expansion, and ship-to-ship transfers weaken EU measures and heighten **environmental and security risks**.
- China's **"Polar Silk Road"** blends investment and research with strategic ambiguity, posing dual-use risks to European security in the High North and underscoring the need for renewed US engagement.
- Stronger sanctions enforcement, NATO–EU coordination, and reduced strategic dependencies are needed to avoid Europe's marginalization and **integrate the Arctic** into its security and economic resilience frameworks.

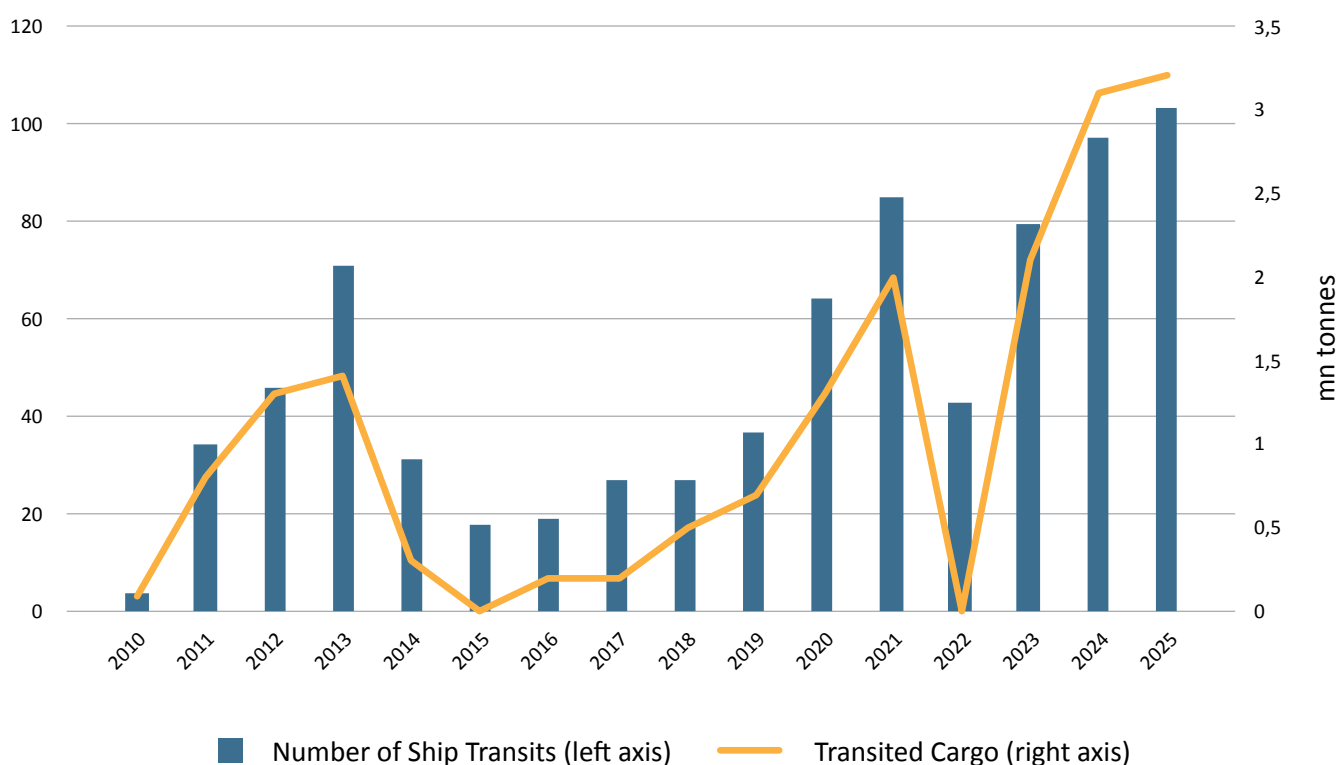
global conflicts. Like the instruments and bodies of the UN, that **Arctic exceptionalism has now become a concept that non-European superpowers invoke but disregard**. Russia's aggression against Ukraine shattered trust and in early March 2022, all Arctic Coun-

cil members besides Russia **announced an indefinite boycott** of Council meetings, effectively suspending the primary framework for Arctic cooperation. Other joint initiatives with Russia, from scientific expeditions to military confidence-building, have likewise collapsed. The result is a deepening **governance gap in the Arctic**.

In addition, **climate change is dramatically transforming the region**, with the Arctic warming at least three times faster than the planet on average. Melting ice has

proven a geopolitical burner. **New shipping routes** have opened up between Asia and Europe, shortening trade journeys but also **bypassing traditional chokepoints** like Suez or GIUK. Vast oil, gas, and mineral deposits are becoming more accessible, holding **critical raw materials** vital for Europe's strategic industries and green transition, which can bolster or cripple Europe's **energy security and industrial supply chains**, making the Arctic an immediate critical concern for decision-makers.

Figure 1. Number of Ship Transits and Cargo Volume Along the North Sea Route (2010 - 2025)



Source: CSD based on data from Rosatom and the Centre for High North Logistics.

The Kremlin Playbook in the Arctic

Russia is the **dominant Arctic power** by geography, infrastructure, and military presence, and it views the region as a core pillar of its national security and economic resilience. As relations with Europe have

collapsed, the Kremlin has doubled down on the Arctic as a platform for **aggressive nuclear posturing, energy revenues, sanctions evasion, and strategic leverage**. **In line with the Kremlin Playbook in Europe**, Russia combines overt military power with economic instruments and grey-zone tactics to secure its interests in the High North.

Militarization and Power Projection

Russia's military build-up in the Arctic represents **the next immediate challenge to European security** after the war in Ukraine. Over the past decade, the Kremlin has implemented a comprehensive plan to bolster its Arctic military capabilities. As part of this effort, Moscow has consolidated Arctic forces under its Northern Fleet Joint Strategic Command, transforming the region into **a fortified bastion** for its sea-based nuclear posture. Concentrated around the Kola Peninsula, it **includes** advanced air defense systems, coastal missile units, and modern attack and ballistic-missile submarines operating in the Barents and Norwegian Seas. In a 2023 escalation, Russia's military build-up in the Arctic, reflected in the Northern Fleet's increased activity and the expansion of nuclear infrastructure and capabilities, has intensified regional security concerns.

This militarization has had a twofold effect: Russia has **expanded its second-strike nuclear capability** and **its power projection along the Northern Sea Route (NSR)**, the shipping lane running along its Siberian coast from the Kara Sea to the Bering Strait. The Kremlin has commissioned new heavy icebreakers (including nuclear-powered ones) to ensure year-round navigation and has established a unified NSR **administration under Rosatom**. Military infrastructure, like radar sites and air

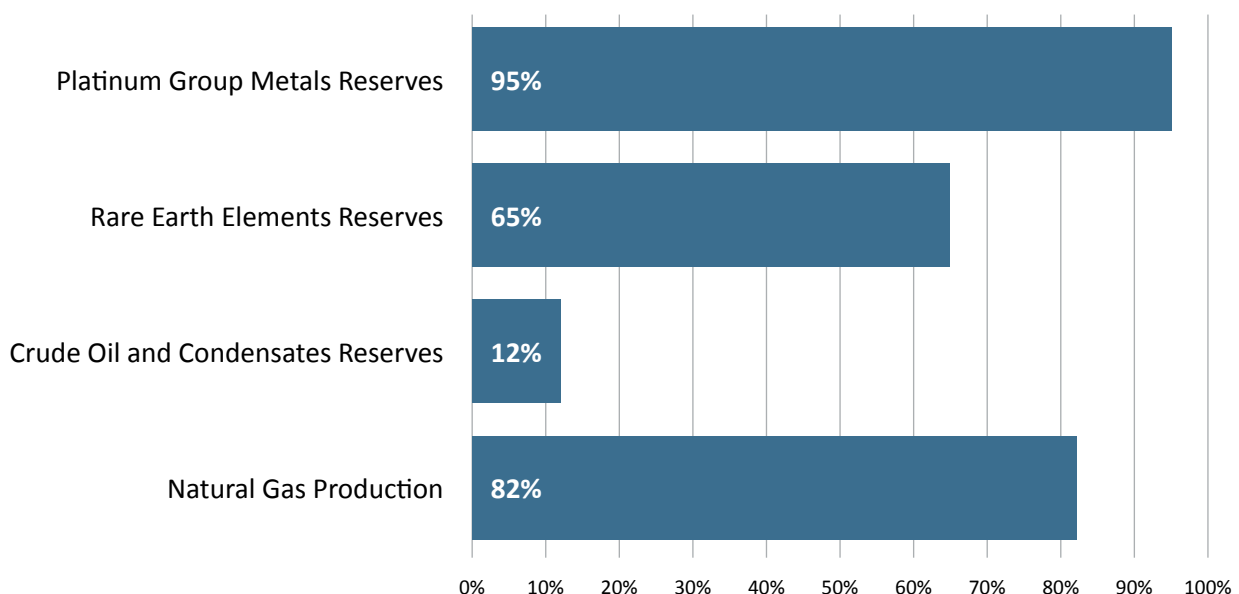
bases, support this militarization by providing Moscow with de-facto control over foreign vessels passing along the NSR. Russia has conducted army drills along the NSR, simulating the defense of oil platforms and sea lanes. This posture **complicates NATO's security calculus** and reinforces the need for enhanced surveillance, anti-submarine capabilities, and crisis-management mechanisms in Europe's High North.

The return of acute energy insecurity in 2026 has only increased the relevance of Arctic routes. As disruption in the Middle East raises the strategic premium on non-Hormuz corridors and intensifies pressure on sanctions enforcement, Russia's Arctic infrastructure and shadow-fleet logistics become more valuable to Moscow and more dangerous for Europe to ignore.

Energy Leverage and Sanctions Evasion

The Arctic remains central to Russia's energy economy and its evasion of sanctions. Arctic oil and gas projects underpin a significant share of Russia's export potential, even as access to advanced technology and finance has narrowed sharply since 2014 and especially after 2022. In response, Moscow has redirected Arctic energy flows toward Asian markets while exploiting sanctions enforcement gaps in Europe.

Figure 2. Russian Natural Resources Dependence on the Arctic



Source: CSD, based on data from Russian Ministry of Energy, Gazprom and the Arctic Institute.

Apart from their scale, Arctic resources are also **highly concentrated**. Roughly 80% of Arctic oil and gas production **comes** from Russian territory, with Arctic fields accounting for about one-fifth of Russia's oil output and a far larger share of its potential production. Russia's Arctic region holds an estimated 35.7 trillion cubic meters (tcm) of natural gas resources, nearly 75% of Russia's total proven reserves and more than the rest of the Arctic combined.

Liquefied natural gas (LNG) from the Yamal Peninsula continues to reach both Asian and European buyers, despite sanctions, while Arctic crude is increasingly transported eastward via Murmansk and the NSR. With the EU set to ban all Russian LNG imports from January 1, 2027, which currently account for around 5% of the EU's total gas imports, the **Northern Sea Route is likely to become even more important** for Russia as it reroutes its exports to Asia. The NSR nearly halves the voyage length between northern Europe and Asia compared with the Suez Canal, giving Moscow leverage over a trade corridor that **bypasses traditional choke-points**. As highlighted by **CSD**, this shift has unfolded faster than Western governments' ability to shape Arctic governance and infrastructure, leaving Russia with a growing advantage in controlling Arctic shipping routes and energy flows.

These flows rely heavily on a growing **shadow fleet of ageing tankers** operating outside international insurance and transparency standards. Ship-to-ship transfers, opaque ownership structures, and blending practices have weakened enforcement and created **significant environmental and security risks** in the Arctic.

Russia is also leveraging Arctic energy infrastructure to **entice China's growing geopolitical ambitions**, notably through efforts to advance the Power of Siberia 2 pipeline linking Arctic gas fields to Chinese markets. Together, these strategies allow Moscow to sustain revenues, dilute sanctions pressure, and retain leverage over global energy markets, even as Europe moves to phase out remaining imports.

China's Near-Arctic Strategy

China has positioned itself as a global stakeholder in the Arctic, despite lacking territorial outlet to the region. In its 2018 Arctic policy, Beijing declared itself a near-Arctic state and **framed the High North as a domain of shared global interest**, closely linking Arctic engagement to its broader Belt and Road Initiative through the concept of the Polar Silk Road (极地丝绸之路).

China has steadily expanded its Arctic footprint: gaining observer status in the Arctic Council (in 2013), investing in Arctic natural resources and infrastructure, and increasing its scientific presence (research expeditions, icebreakers, and research stations in the High North). While presented as benign and cooperative, this strategy cannot mask China's strategic ambiguity and long-term interest in securing access to resources, transport routes, and knowledge in **an increasingly contested region**.

Economic Footprint

Chinese state companies and funds have sought stakes in Arctic mines, energy projects, and transportation infrastructure. China invested in **energy megaprojects in Russia's Arctic**, most prominently the Yamal LNG project in Siberia, a \$27 billion venture that began shipping gas in 2017. Beijing owns 20% of the project through CNPC plus 9.9% through China's Silk Road Fund, with Chinese banks providing large loans. This involvement secures long-term LNG supplies, exposure to advanced Arctic energy technologies, and optionality over future Arctic shipping routes.

Beyond Yamal, **Chinese companies have sought to expand their footprint** across Russia's Arctic energy projects, with mixed success. They hold a 20% stake in Novatek's Arctic LNG 2, which has been stalled by sanctions, have supported pipeline infrastructure such as the Eastern Siberia - Pacific Ocean oil route to Asia, and remain locked in inconclusive talks over the Power of Siberia II gas pipeline amid **disputes over pricing and conditions**.

In Norway and Iceland, Chinese companies tested investing in **ports and real estate along Europe's High North**. A Chinese investor's attempt to buy land in northern Iceland for a resort raised alarms about potential strategic motives. In Finland, Chinese entities expressed interest in an Arctic railway project from Rovaniemi to the Barents Sea, which would link to the NSR. Local opposition over environmental and indigenous concerns halted the plan.

Not all Chinese plans have materialized. There is often a gap between announced ambitions and executed projects. **Estimates** point out that so far China has invested over \$90 billion in the Arctic. However, these numbers typically include both proposed and failed projects. Chinese **mining projects in Greenland**, for instance, have faced setbacks. The Kvanefeld rare earth mine's Chinese partner (Shenghe Resources) saw the project stalled when Greenland banned uranium mining. And the Isua iron mine license held by a Chinese-linked firm was revoked due to inactivity.

Box 1. Hybrid Warfare in the Arctic

Russia's behavior in the Arctic relies on grey-zone tactics. Western intelligence has noted unusual activities of Russian research vessels near undersea cables off Norway and Iceland. In 2021–2022, [a vital undersea fiber-optic cable to Svalbard was severed](#) and an oceanographic sensor network off northern Norway was damaged. While not conclusively attributed, these incidents fit **a pattern of hybrid operations** aiming to probe or disrupt critical infrastructure. They serve as a warning that Russia could cut data links or power cables in a crisis, isolating parts of Europe. EU and NATO have since labeled **undersea cables** as strategic assets and boosted undersea surveillance. In addition, Russian-flagged fishing vessels that enjoy access to Nordic ports under fisheries agreements have clandestinely carried **sanctioned high-tech components**. The Arctic continues to be a testing ground for sanctions evasion. Ship-to-ship transfers, opaque ownership structures and the blending of Arctic-origin oil have weakened Western measures targeting the shadow fleet and Arctic LNG projects.

Russia may be also pursuing hybrid warfare tactics in Europe's Arctic. In Finland, security services [reported](#) attempts by Russian actors to buy land or properties near strategic locations (like Lapland's training grounds) – possibly for spying or future staging. In Greenland, before its diplomatic break with Russia, [there were outreach attempts](#) via business proposals that seemed disproportionately generous.

Chinese ventures encounter rising resistance, whether from climate conscious local governments, or from the EU and NATO, fearing strategic encroachment. As a result, Chinese investment in the Arctic **remains concentrated in Russian energy assets**.

Strategic Ambiguity and Dual-Use

China's Arctic engagement is characterized by deliberate strategic ambiguity. Scientific research stations, satellite ground facilities, and polar expeditions are officially civilian. Yet they rely on technologies with potential military or intelligence applications. European governments have grown increasingly wary of these dual-use risks, particularly in **sensitive locations** such as Svalbard, Greenland, and Nordic Arctic territories. In 2014, Norway rejected a Chinese proposal to build a large radar antenna in **Svalbard** amid concerns it might be used to monitor NATO activities or space assets. Similarly, when a Chinese company sought to purchase an old naval base in **Greenland (Kangilinnguit)** in 2016, Denmark intervened to prevent the sale, wary of the security implications of a Chinese-controlled port near vital shipping lanes.

The United States has repeatedly [voiced](#) worries about the **dual-use applicability of Chinese Arctic research**. A 2024 [U.S. Congressional letter](#) warned that seemingly benign scientific outposts might have functions beyond peaceful research. For instance, a Chinese satellite ground station in **Spitsbergen** could potentially intercept communications or track military units. In Iceland, media reports and officials openly questioned whether proposed Chinese-backed projects (like a high-tech research facility) had espionage motives.

Chinese investment intentions in telecommunications, shipping infrastructure, or mineral extraction in small Arctic communities have raised similar **red flags about Beijing's hidden strategic agenda** all along Europe's High North.

While **China's direct military presence in the Arctic remains minimal**, its civilian activities could support future intelligence collection, undersea mapping, and logistical access. From a European perspective, the concern is less about imminent militarization and more about the **gradual accumulation of strategic advantages** under civilian cover, especially when combined with Chinese control over critical technologies and data flows.

Alignment with Russia: Not Quite Unlimited

China's Arctic role is closely intertwined with its partnership with Russia, but the relationship is far from seamless. On the one hand, Moscow and Beijing have drawn closer as strategic partners globally. Just before the war in Ukraine, in February 2022, Russia and China proclaimed a friendship with no limits. In the Arctic context, Russia has actively courted Chinese investment to replace Western capital and technology. For example, Yamal LNG only succeeded with hefty Chinese funding, and Moscow invited China to take a greater role in its **massive Vostok Oil project**, after Western firms withdrew. The two countries have also begun formally aligning policies: they signed an MoU to jointly develop the **NSR**, with China potentially co-financing infrastructure and Russia granting Chinese shippers **priority access**.

Joint China – Russia military exercises in the Pacific have edged northward. In the summer of 2024, Russian and Chinese bombers conducted air patrols near Alaska's Air Defense Identification Zone, and coast guard vessels from both countries carried out operations in the Alaska/Bering Sea region, indicating an expansion of their military coordination in Arctic-adjacent spaces beyond just naval patrols. In August 2025, the Chinese and Russian navies conducted Joint Sea-2025 naval drills in the Sea of Japan and Western Pacific and subsequently planned a joint maritime patrol in the Asia-Pacific region as part of the same cooperation.

At the same time, **tensions between the two countries have continued** simmering under the surface. Russia seeks to assert sovereign control over Arctic navigation and resources, while China promotes a narrative of shared global governance and freedom of access. Historically, Russia has been cautious about too much Chinese influence in its northern realms. It initially balked at China's 2013 Arctic Council observer bid until China affirmed respect for Arctic states' sovereignty. Many large Sino-Russian Arctic projects have faltered despite political goodwill. For example, Chinese investors did not ultimately take up stakes in Russia's Vankor oil field. Negotiations over pipeline deals reveal **hard bargaining**: the proposed Power of Siberia II pipeline from Arctic fields to China remains unsigned as China pushes for cut-rate prices that Russia hesitates to accept. Even on the NSR, China is careful to avoid over-reliance on a route controlled by Russia and subject to geopolitical risk. Chinese shipping companies have sent trial voyages via the NSR, but widespread Chinese shipping along that route has not yet materialized – possibly because China remains unsure about its reliability and Russia's ability to secure it.

For Europe, China's Arctic strategy presents a **phantom challenge**. Chinese investment and scientific cooperation can contribute to development and climate research, but they also risk creating strategic dependencies and governance vulnerabilities in a region of growing importance. Without a coherent de-risking strategy, **Europe can inadvertently cede influence** over critical infrastructure, resources, and data flows in its own High North.

Towards a European Arctic Defense and Resilience Action

The Arctic has become a central arena of geopolitical and geoeconomic competition, shaped by Russian militarization, Chinese strategic investment, and accelerating climate change. While the crisis in Iran has drawn attention away from the Arctic, it is unlikely to remain insulated from the wider fragmentation of the international order. Like the Gulf, the Black Sea, and other contested spaces, it is becoming part of a single, interconnected map of geoeconomic coercion, strategic resource competition, and enforcement gaps. Europe's response must move beyond declaratory policy and address concrete vulnerabilities in security, governance, and economic resilience. The following sets of priorities outline a focused and realistic European approach:

- **Reframe the Arctic as a Core European Security and Economic Priority:** The EU should explicitly recognize the Arctic as integral to European security, economic resilience, and strategic autonomy. This requires updating the EU Arctic Policy to reflect the post-2022 security environment and embedding Arctic scenarios into EU risk assessments, crisis planning, and economic security strategies. Arctic considerations should be mainstreamed across energy security, critical raw materials, transport, and digital connectivity policies.
- **Close the Arctic Sanctions and Enforcement Gap:** Russia's Arctic energy exports and northern maritime routes have become critical vectors for sanctions evasion. Europe should strengthen monitoring and enforcement along Arctic supply chains by enhancing coordination among customs authorities, coast guards, financial regulators, and sanctions bodies. Priority actions include targeting the shadow fleet operating in Arctic waters, tightening controls on ship-to-ship transfers and blending practices, and improving transparency requirements for Arctic shipping, insurance, and port access. Success requires close cooperation with Arctic NATO partners.

The EU should expand intelligence-led enforcement, including systematic tracking of Arctic shipping, beneficial ownership of vessels, and financial intermediaries involved in Arctic-origin trade. Dedicated enforcement task forces focused on the High North would help close loopholes and reinforce the credibility of Europe's economic security.

- **Protect Critical Infrastructure and Improve Arctic Domain Awareness:** Europe must significantly enhance its ability to monitor and protect critical infrastructure in the Arctic, including undersea data cables, energy installations, satellite ground stations, and ports. This requires improved maritime, air, and undersea surveillance, stronger information-sharing among Arctic and non-Arctic EU member states, and contingency planning for infrastructure disruption. Investment should prioritize redundancy and resilience, ensuring that Arctic communities and strategic assets remain connected even in the event of sabotage or extreme weather. For example, the EU could **support the laying of backup cables or establish satellite backups** for communications to Svalbard, Greenland, and Arctic Norway. EU funding (through the Digital Europe or Connecting Europe Facility) could aid the installation of a backup fiber cable between mainland Europe and Iceland/Greenland to ensure connectivity even if one cable is cut.

Critical energy nodes like the Melkøya LNG plant in Norway's Arctic or satellite ground stations in Sweden/Finland should have enhanced physical security and cyber defenses. A recent string of drone sightings over Norwegian offshore platforms (suspected Russian espionage) shows the need for **better drone detection** and exclusion zones around such sites.
- As European allies move toward substantially higher defense spending, including commitments in some countries to levels approaching 5% of GDP, strategic choices about force allocation will become unavoidable. While immediate priorities rightly remain support for Ukraine and reinforcement of the Eastern Flank, a portion of expanded defense **resources should be earmarked for the High North**. Arctic-capable forces, surveillance assets, and resilience measures should therefore be integrated into Europe's broader defense planning as a medium-term but enduring priority.
- Europe should support allies in investing in anti-submarine warfare (ASW) that can augment patrols in northern waters or co-finance undersea sensors. Similarly, NATO should boost air defense in the Nordic region since Russia's Arctic air bases put high-end assets (MiG-31 interceptors, bombers) within reach of European airspace. There is a need for the deployment of specialized teams (perhaps under the EU Hybrid Fusion Cell or NATO's Hybrid CoE in Helsinki) to plan responses to hybrid threats in the Arctic.
- **De-Risk Strategic Dependencies on China:** China's Arctic engagement requires a calibrated response focused on de-risking rather than disengagement. The EU and its member states should continue to apply rigorous investment screening to Arctic infrastructure, mining projects, and digital assets, particularly where dual-use risks are present. Scientific cooperation should remain possible but subject to strict transparency, data-protection, and security safeguards. At the same time, Europe should diversify supply chains for critical minerals, energy inputs, and Arctic-relevant technologies.
- **Rebuild Arctic Governance:** With the Arctic Council largely paralysed, Europe should work with NATO allies to sustain cooperation where possible and prevent governance fragmentation. This includes supporting interim coordination mechanisms on environmental protection, maritime safety, and scientific data-sharing that exclude sanctioned actors while preserving functional cooperation. Indigenous communities should be meaningfully included in these efforts, both to uphold democratic standards and to strengthen local resilience against external pressure. Europe should also continue to champion international law, as the foundation for managing Arctic disputes, maritime access, and resource governance. **An EU Arctic Ambassador (or Special Representative)** could help coordinate, so that the EU speaks in one voice, echoing the need for Europe to become a more assertive Arctic actor.