The Arctic and Asia are drawing closer together than ever before. This is largely the result of the Northern Sea Route (NSR), a global transportation corridor connecting Asia and Europe being developed by Russia. Today, the Northern Sea Route is becoming an important shipping route in the Russian Arctic, and its entire length is said to be 2,200–3,000 nautical miles, dependent on such factors as the ice conditions and the power of the vessel. This shipping route—the so-called Northern Route—is also superior in competitiveness, and its strategic significance in economic terms is becoming global in scale.

In comparison with the Southern Sea Route (SSR) passing through the Strait of Malacca and the Suez Canal, the Northern Sea Route is shorter by far. Taking the example of the distance between the port of Murmansk in northwestern Russia and the Port of Yokohama, it is approximately 6,000 nautical miles for the Northern Sea Route as against more than 12,000 nautical miles in the case of the Southern Sea Route. Likewise there is a difference in sailing times of 18 hours versus 37 hours. Moreover, there are no “queues” on the Northern Sea Route, and absolutely no risk of attack by pirates.

Regarding freight transportation from the Russian Arctic to East Asia, new prospects will open up depending on the transportation fees. For example, according to some evaluations, in the case of the transportation of liquefied natural gas (LNG) from the Yamal LNG plant, located on the Yamal Peninsula, to Kobe, the transportation costs per tonne would be US$58 via the Northern Sea Route in contrast to US$96 via the Southern Sea Route and the Port of Zeebrugge in Belgium.

Against the background of the rise in global fuel prices and the accompanying surge in maritime transportation fees, shipping companies have begun investigating the Northern Sea Route as an alternative for container transportation from Asia to Europe. Amongst the global transportation giants there are also firms which have already carried out experimental sailings. By way of an example, as of September 2018 the number of days needed from Busan in the ROK to Bremerhaven in Germany, via container transport by ice-class vessels taking the Northern Sea Route, was a mere 23 days.

Today, the bulk of the freight transportation for the nations of the Asia–Pacific region is hydrocarbon resources. Undertaking operations using the Northern Sea Route is the ice-class Arc7 tanker able to navigate even in the Arctic’s brutal conditions due to breaking through drift ice of more than 1.2 meters in thickness. In August 2017 the Russian LNG tanker Christophe de Margerie undertook the first commercial sailing and transported liquefied natural gas from Norway to the ROK. It was not accompanied by icebreakers on the voyage, and covered the route in a record time of 19 days, of which 6.5 days were taken to navigate the Arctic waters.

In addition to developing passage through the Northern Sea Route, what has become a key factor for Russia is the accompaniment by icebreakers on the transit sailings. Russia occupies the global top position regarding the operation of nuclear-powered icebreakers to solve problems in transportation on the frozen seas of the Arctic and elsewhere. The icebreaker operator is the firm Atomflot, a subsidiary of State Nuclear Energy Corporation Rosatom. They plan to add three 60MW new generation all-purpose nuclear icebreakers—Arktika, Sibir and Ural—by 2021. In the future, they are planning an icebreaking capability of 4 meters, and to build Lider, a 120MW nuclear icebreaker capable of year-round passage of the Northern Sea Route.

Approximately 25 million people live in the roughly 18% of Russia’s national territory above the Arctic Circle. The sustainable development of this region is one of the priorities of the government of the Russian Federation, and in response the strategy is being executed in the period up to 2020. Russia’s future is tied up inseparably with the Arctic and the development of its potential. Today, more than 10% of Russia’s GDP and over 20% of its exports derive from the Arctic. In the future it is considered that the contribution of this region will increase yet further.

The Arctic is a treasure house of subterranean resources. On the Arctic continental shelf within Russia’s territorial boundaries, there are massive reserves of hydrocarbon resources of 106 billion tonnes of oil equivalent. Also included within that is up to 69.5 trillion cubic meters of natural gas. Abundantly concentrated on the mainland are gold, diamonds, and mercury, as well as rare metals vital for the development of advanced technology and engineering.

In March 2018, Russian President Vladimir Putin raised the issue of increasing freight transportation via the Northern Sea Route roughly ten-fold to 80 million tonnes by 2025. Considered to become the core freight are energy resources, such as LNG, crude oil, coal, and all variety of metals. Since the first shipment in December 2017, the volume of LNG shipments via tanker from the Yamal LNG plant has reached 4 million tonnes over 54 lots. The plant will go into full operation in 2019, and they plan to produce in excess of 17 million tonnes of LNG and approximately 2 million tonnes of gas condensate annually.

Moves are also underway toward the creation of a unified transportation system in the Arctic. If realized, it will become possible to integrate the various kinds of infrastructure of the existing maritime, railway and aviation sectors. Included within that are the port and airport of Sabetta in the Yamalo-Nenets Autonomous Okrug, the railway lines of that same autonomous
okrug and of Murmansk Oblast, and other means of transportation. The realization of efficient freight distribution in the Russian Arctic is also one of the challenges.

Other Arctic countries are also taking particular interest in the development of infrastructure in the Arctic. In particular, the interest of Finland, which chairs the Arctic Council from 2017 to 2019, is high, and has proposed to Norway a plan for the construction of a railway connecting the two countries’ Arctic regions. According to Finland, regarding the construction of the railway, it is examining this together with a project for the laying of optical cable connecting Europe and Asia along the Northern Sea Route.

In order to transport the LNG manufactured by the Yamal LNG plant and the LNG produced by the “Arctic LNG 2” plant on the Gydan Peninsula, which is planned to commence operation between 2022 and 2025, the planning of the construction of a marine transshipment base is also in progress. By way of the construction of LNG transshipment hubs in Murmansk Oblast and on the Kamchatka Peninsula in the Russian Far East, it is considered that they will be able to optimize LNG exports to the nations of the Asia-Pacific region.

The putting in place of the legal foundation for regulating freight transportation via the Northern Sea Route is being carried out. According to the Federal Law on the Amendments to the Merchant Shipping Code of the Russian Federation which came into effect in February 2018, within the waters of the Northern Sea Route under Russia’s jurisdiction exclusive rights are awarded for undertaking maritime fuel-resource transportation to Russian-registered vessels up to the first point of shipment or transshipment. Of importance here is that this law does not apply to contracts concluded prior to it. Also included as not subject to this law are contracts concluded within the framework of the Yamal LNG project. Long-term contracts concerning LNG transportation concluded with overseas shipping firms, including from Japan, still have their previous validity. Accompanying such moves, the procedures for registering vessels as Russian-registered by their overseas owners have been simplified, and the procedures can now be completed in only one day.

The Russian government has submitted a bill to transfer a series of powers regarding the operation and management of the Northern Sea Route to the state corporation Rosatom, and it is currently being deliberated upon in the Federal Assembly. Within the powers are included authorities relating to sailing in the waters of the Northern Sea Route and adjacent areas, safety of navigation, and the development of ports and harbors and energy infrastructure. Together with optimizing the role of the state in the maritime sector via the aggregating in one operator of functions regarding activities and infrastructure development in the Russian Arctic, it will be possible for the Northern Sea Route to heighten the potential it possesses in transportation and logistics.

Regarding security issues in the Arctic, many countries, including Japan, have been taken in by preposterous tales. It has to be admitted that there are even some who connect a presence in the Russian Arctic to destructive aims. In fact, in relation to the issue of management of the Arctic, Russia is in full compliance with international law, including the United Nations Convention on the Law of the Sea (UNCLOS).

In our opinion, problems which would demand a military solution or the intervention of military and political blocs do not exist. Russia’s intention is to continue opposing attempts to politicize reciprocal international relations by bringing in confrontational political factors to the Arctic. Meetings had been held every year up to 2013 to bring together the military chiefs of staff of the Arctic nations, and they were highly significant in terms of mutual understanding and confidence-building.

Russia has the conviction that international law secures the interests of the Arctic littoral nations and other states. At the same time it is considered that a unique responsibility regarding the future of the Arctic lies with the Arctic littoral nations.

The Arctic is becoming a region where political tensions are few, and development proceeds strongly on a basis of wide-ranging cooperation. This is the gift of the efforts of each nation, but at its root there is an attitude of aiming for the resolution of practical matters through dialogue, based on the rule of international law and mutual respect. This very same approach was raised in the Ilulissat Declaration made in 2008. This year marks its 10th anniversary. The role this declaration by the Arctic countries has played in the stability of the Arctic and the development of the situation has been great. The content of the declaration also has feasibility at the present time, and has become a benchmark for meeting today’s requirements.

Along with supporting the Arctic Council’s taking on the leading role in the formulation of regulatory rules in the Arctic, Russia agrees with continuing to broaden international cooperation in a more diverse range of fields. As an example, there is the signing of the “Agreement on Enhancing International Arctic Scientific Cooperation” at the Ministerial Meeting of the Arctic Council held in Fairbanks, Alaska, in May 2017. This agreement set down the nations’ cooperation toward the exchange of scientific information, access to research sites and science infrastructure, and the safeguarding of intellectual property rights.

In recent years, a historic transformation in international cooperation in Northeast Asia has been seen. With China, the ROK and Japan foremost, the countries of East Asia have come to occupy a key position as partners from outside the Arctic.

This year, China adopted an Arctic doctrine for the first time, and published the white paper “China’s Arctic Policy”. In it China has stated its willingness toward the development of transportation and logistics routes passing through the Arctic region. It is considered par for the course that China should have such an interest in the Arctic. Chinese firms are among the main stockholders for the Yamal LNG project. In addition, the Chinese government has drawn up a plan to increase the share of natural gas within its own domestic energy mix from the current 6% to 15% by 2030. Scientific research by China in the Arctic is also expanding.

Taking the viewpoint of the benefits for Japan, the Arctic could become a diverse energy supply source. Within that, natural gas is held to be the cleanest fossil fuel in terms of greenhouse gas emissions. Today, the share of LNG within
Japan’s energy mix is approximately 24%, and that share is increasing each year. Japan imports 83 million tonnes of LNG annually, but of that a mere 9% is imported from Russia. For Japan, imports from the Russian Arctic translate into an expansion of stable supply sources for liquefied natural gas. Meanwhile, there is the possibility of scientific and technological development being requested from Japan.

Prime Minister Shinzo Abe has evaluated Russia–Japan relations as “holding unlimited potential”. There is the potential for Russia–Japan collaboration in the Arctic as well. Regarding the Arctic, Russia will welcome Japan taking on a constructive role.

In similar fashion to Arctic and other nations, Russia has a profound interest in the steadfast development of the Arctic, and regional peace and stability. Russia, together with the Arctic nations, will meet the various demands in the Arctic in timely fashion in the future also, and at the same time continue to seek out new possibilities for collaboration.

The encouragement of cooperation in the Arctic is taken up also at various conferences held regularly in Russia. Among them, the “Arctic: Territory of Dialogue” International Arctic Forum held in Arkhangelsk has gained clout as an arena for discussing topics of urgency relating to the Arctic. There are plans for a similar forum to be held in the spring of 2019 also. At this forum, a large-scale international event, government, private-sector and business representatives of various nations come together under one roof, and serious exchanges of opinions take place.

In the meantime, the Arctic is facing a great number of new challenges. Those that can be raised include: the raising of the quality of life of indigenous peoples; the development of the transportation and logistics, resource, and science and technology sectors; the conservation of ecosystems; and support for peace and stability. Without constant concerted effort by the nations concerned the effective and peaceful development of the Arctic will not be able to come to realization.

[Translated by ERINA]