

# INFRASTRUCTURE INVESTMENT FROM CHINA AND JAPAN

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## Abstract

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### Chinese and Japanese infrastructure investment in the Arctic

In recent years, the Arctic region, a polar region located at the northernmost part of the Earth, has regained much public attention. This is largely because of a record Arctic ice melt in 2007 due to global warming. The Arctic Ocean is normally covered by ice during the winter and sea ice retreats every summer. The volume of ice at summer's end in 2007 became half of the volume of four years earlier.

Although the Arctic ice melt brings a number of negative environmental, societal and economic consequences, some business and governments see it as an economic opportunity. For instance, it is estimated that the Arctic contains 30% of the world's undiscovered gas and 13% of undiscovered oil. An old sea route between Asia and Europe along the coast of Russia called the Northern Sea Route (NSR) used to be only penetrable by powerful icebreakers; but in recent years it became open to most commercial vessels for a protracted period. The NSR is approximately 40% shorter than conventional south-bound sea routes. Chinese and Japanese firms were no exception in latching on to this opportunity.

In this presentation, I will discuss and compare their behaviour as well as their governments' endorsement of their activities (or lack thereof). In particular, I will focus on Greenland as a specific case for analysis.