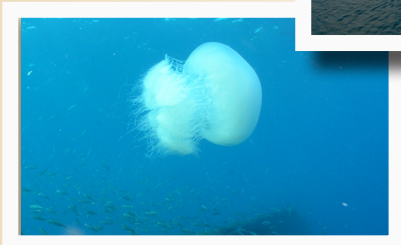
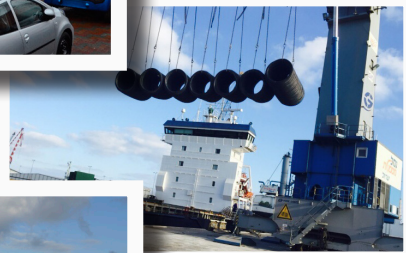
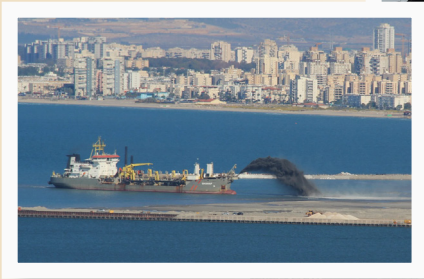


# MARITIME STRATEGIC EVALUATION FOR ISRAEL 2018/19

Chief editor: Prof. Shaul Chorev

Edited and produced by: Ehud Gonen



## The Russian Northern Sea Route – Declarations and Reality

### *Tzevy Mirkin*

Due to global warming and the change in the global climate, it is becoming increasingly feasible for the Northern Sea Route to serve as a route for commercial shipping between East Asia and Europe. The result will be a shortening of the trip by thousands of kilometers, which will lead to huge economic savings.

The opening of the Northern Sea Route is highly beneficial for Russia and will allow it to build a maritime services industry along this route, as well as providing it with greater access to shipping (and lower costs of trade). Thus, Russia's activity in this region is growing, both from a technical point of view (building of a fleet of icebreakers) and an international / legal point of view, which involves its claim of ownership over this route. If the use of the Northern Sea Route reaches a significant level from the perspective of global trade, then it will have a potentially adverse effect on Egypt.

### **Background**

The Northern Sea Route traverses the northern coast of Russia. It is part of the Northeast Passage, which connects the Atlantic Ocean to the Pacific Ocean by way of the Northern Sea.

The term Northern Sea Route first appeared when the Soviet Union tried to use this route for maritime transport in the 1930s. In this context, the fundamental question relates to the boundaries of Russian control in the Arctic region. Since the Russian Federation is the only republic of the USSR that had access to the Arctic region, it inherited all of the USSR's assets in the region in 1991. Questions then arise as to the demarcation of Russian control in the region. In 1926, the Soviet leadership approved a law which defined the boundaries of Soviet control in the Arctic Region as the lines rising from the eastern-most point (Chukotka Peninsula) and the western-most point (the Kola Peninsula) up to the North Pole. A special name was even invented for the Soviet part of the Arctic region: "the polar possessions of the USSR." In contrast, in 1982 the USSR signed the United Nations Convention on the Law of the Sea (UNCLOS) and as a result it also accepts the decision regarding the widths of territorial waters and of the Exclusive Economic Zone. Nonetheless, Russia is currently trying to expand its control in the Arctic Region, based on the claim to the two underwater ridges that are to be found in the Northern Sea and which range up to the North Pole. These ridges are part of the Russian continental shelf and therefore Russia claims that they are part of its Exclusive Economic Zone.

Russian law defines the route as the “exclusive national transportation route of Russia in the Arctic, which came into being historically.”<sup>1</sup> The route runs through the Kara Strait, which connects the Barents Sea and the Kara Sea, and through the Bering Strait, which connects the Northern Sea and the Pacific Ocean. The length of the route is about 5600 km. From an administrative perspective, the route has two segments: “the Western Zone” (from Murmansk to Dudinka, the port at the mouth of the Yenisei River) and the Eastern Zone (between Dudinka and the Bering Strait).

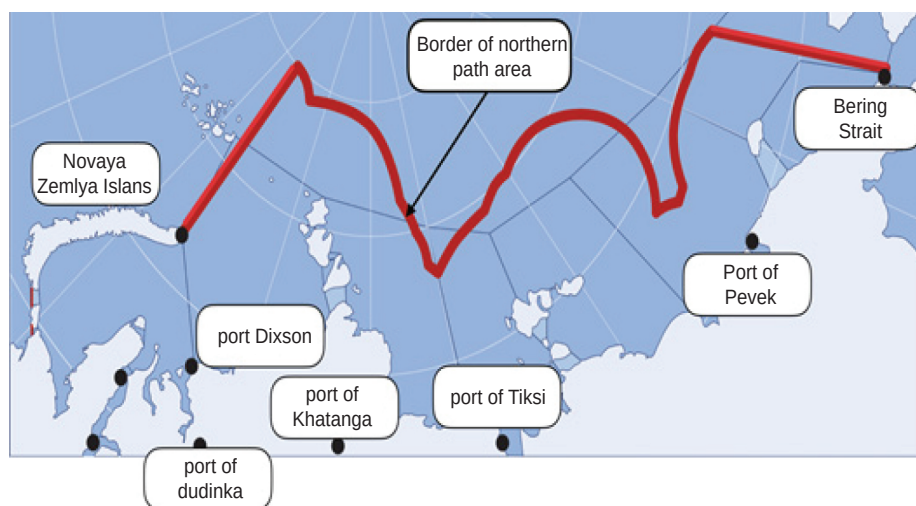


Figure 1: A diagram of the northern route and the main port cities along it

### The historical place of the Northern Sea Route within Russian maritime strategy

The Russian leadership has expressed interest in the Northern Sea Route for a very long time and there were attempts to utilize the route already at the end of the 19th century. Nonetheless, only in 1932 was it proven to be practical for ships accompanied by an icebreaker to travel the route within one shipping season.<sup>2</sup> Since then, there have been changes in the strategy in this region, until things coalesced during the Cold War, when the Soviet Northern Fleet became one of the two main components of the maritime arm and was officially defined (together with the Pacific Fleet) as a “strategic fleet”.

1 The Federal Law of the Northern Sea Route, paragraph 14.

[http://www.nsra.ru/ru/ofitsialnaya\\_informatsiya/zakon\\_o\\_smp.html](http://www.nsra.ru/ru/ofitsialnaya_informatsiya/zakon_o_smp.html)

2 The shipping season is the part of the year when conditions allow ships to travel the route. In general, this is the period of the summer during which the water is ice-free.

Since the current strategy and operating doctrine of the Northern Fleet are based on those that prevailed during the Cold War, an understanding of the place of the Northern Sea Route in the thinking of the Soviet leadership is particularly important in understanding the mindset of the architects of current Russian strategy.

### **The development of the route**

The idea of a direct connection between the western part of Russia and its territory in East Asia by way of the Northern Sea Route may have existed already when the Russian Empire reached the shores of the Pacific Ocean. Nonetheless, the undertaking was not feasible due to technical limitations of ships which could not withstand the difficult conditions in the Arctic Ocean. Similarly, there were huge difficulties in building the necessary infrastructure along the route, such as anchoring ports for refueling, supplies and repairs, in addition to the fact that these areas were poorly connected by land transportation to the central regions of the country, if at all. An exception was the port city of Arkhangelsk, which was established in the 16<sup>th</sup> century at the mouth of the Northern Dvina River and for more than a hundred years served as the only port through which Russia had direct access to commercial shipping lanes. The port became much less important after Russia captured the eastern shore of the Baltic Sea in the early 18<sup>th</sup> century, thus gaining the use of the Riga and Tallinn ports which did not freeze in the winter,<sup>3</sup> and also when it built Petersburg at the mouth of the Neva River.

Up to the beginning of the 20<sup>th</sup> century, the Russian government hardly invested in the development of northern Russia and in particular in its maritime infrastructure. The situation changed with World War I, when the “traditional” maritime routes in the Baltic and the Black Sea were cut off by the navies of the Central Powers, and Russia began looking for alternatives in order to maintain contact with its allies. In 1915, the city of Murmansk was established on the shore of the Barents Sea, although its development was delayed by the Bolshevik Revolution and the civil war in Russia.

At the beginning of the 1930s, the Soviets made their first attempts to exploit the natural resources of the Far North. At the same time, military leaders realized the importance of the maritime routes in the North and began working toward their development. In 1933, the Northern Military Flotilla was established (which became the Northern Fleet in 1937) and the entire Northern Sea Route was put under its

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3 In this context, Russia also expanded southward toward the Black Sea in a process that was completed in 1791 with the annexation of the Crimean Peninsula; however, the ports in the Baltic Sea were always far more important than those in the Black Sea.

operational command. Murmansk and a number of smaller cities became the centers of activity in the region.

At the end of the 1930s, the Soviet leadership came to the conclusion that the importance of the Arctic region in general and of the Northern Fleet in particular is based on control of two routes: that connecting Murmansk with the Atlantic Ocean and the Northern Sea Route. They were also aware of the role played by the northern ports in maintaining contact with Russia's allies during World War I.<sup>4</sup> In this context, there were also attempts to check the possibility of using the Northern Sea Route to connect the western part of Russia to the Far East. This was particularly important in view of the fact that the only way to reach the eastern part of Russia was the Trans-Siberian railway, whose route passed close to the border with China and was particularly vulnerable. Thus, the first attempt to sail the Northern Sea Route in one season was made in 1932 and, following that, construction of ports began along the route.<sup>5</sup>

In 1936, the route was used for the first time for a "purely" military purpose when warships of the Baltic Fleet traversed it on their way to the Pacific Ocean, in order to reinforce the Pacific Fleet as a result of the tension with Japan. During World War II, movement was in the opposite direction, such that ships from the Pacific Fleet were transferred to the Northern Fleet. In addition, resources, and in particular coal and metals, produced in Siberia were shipped on this route.<sup>6</sup>

Overall, World War II served as an additional catalyst for the development of Russia's northern coast. During the first months after the German invasion, the USSR lost access to its natural resources in the western part of the country and was forced to quickly replace them with natural resources from Siberia and the Far North. The critical role of Murmansk and Arkhangelsk in maintaining contact with the US and Britain and the need to protect the Arctic convoys<sup>7</sup> increased the importance of the Northern Fleet. In fact, after the Soviet fleets in the Black Sea and the Baltic Sea

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4 Golovko, A. *Together with the Navy*, Moscow, 1984. Admiral Areseni Golovko served as the commander of the Soviet Northern Fleet during the period 1940–1946.

5 The Great Russian Encyclopedia; entry for the Northern Sea Route. <https://bigenc.ru/geography/text/3543982>

6 The Great Russian Encyclopedia; entry for the Northern Sea Route. <https://bigenc.ru/geography/text/3543982>

7 The maritime convoys bought aid from the US and Britain to the USSR during World War II. Between August 1941 and May 1945, 78 convoys arrived in Murmansk and Arkhangelsk. This accounted for about one-half of the total volume of assistance which Russia received from the Allied powers during the war.

were neutralized by the Germans, the Northern Fleet remained the USSR's only active maritime force.

### The Cold War

After the end of World War II, the new Soviet leadership reexamined the “Northern Policy”. Based on the experience during the war, senior navy officials came to the conclusion that the “internal maritime routes in the North” are of great importance. In addition, the Naval Command claimed that decision makers had underestimated the importance of these routes before the war and as a result the navy had not been ready for battle in the northern zone.<sup>8</sup>

In addition to the experience from World War II, the northern region also grew in importance from the perspective of the Soviet naval command, since it was the only theater in which the USSR has direct access to the open seas without having to pass through straits controlled by unfriendly or even hostile nations. It also provides almost direct access to the Atlantic Ocean, which was particularly important in confronting the US.

The acquisition of offensive nuclear weapons and the development of a nuclear strategy also contributed to the importance of the Arctic region. During the Soviet period, the region became particularly important as part of the USSR's nuclear strategy. Located there was one of the two test sites for nuclear weapons and it served as one of the main theaters for patrols by strategic submarines (for which a method had been developed to fire ballistic missiles in ice-covered areas) and by nuclear bombers. Some of the planned trajectories for intercontinental missiles on their way to the US also passed through this region.<sup>9</sup> At the same time, the Soviets feared that the Americans would use the Arctic region as a jumping-off point to attack them.

Almost simultaneously with the upgrade of the Northern Fleet, a similar process was instituted for the Pacific Fleet. This raised the importance of the Northern Sea Route even further, as a result of the possibility of using it to move naval forces between theaters, and primarily it facilitated the delivery of new submarines produced in the city of Severodvinsk on the White Sea to the Pacific Fleet.

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8 Platonov, V., *Admiral's Notes*, Moscow, 1991, p. 295. Admiral Vasili Platonov served as the commander of the Northern Fleet during 1946–1952.

9 Trenin, D. and P. Bayev, *The Arctic: The View from Moscow*, Moscow, Carnegie Center, 2010, p. 7.

Although the importance of the Northern Sea Route at that time was mainly military, its use for civilian purposes also began to develop. The production of metals in the Far North began during World War II and continued after it. The center for this activity was the city of Norilsk, located near a large number of metal mines. The port of Dudinka was built near Norilsk at the mouth of the Yenisei River. The activity at Norilsk expanded to a great extent during the second half of the 1960s, and the production and transport of the mines' output to industrial centers in the western USSR required increased usage of the Northern Sea Route. To accommodate this growth, the USSR began expanding its fleet of icebreakers and in particular nuclear-powered ones.

The first ship of this kind was the Lenin, which was launched in 1957 and went into practical use in 1960. The Lenin was an experimental ship. In 1975, the Arktika nuclear icebreaker was launched and another seven ships of this type were built up until the breakup of the Soviet Union.

### **The post-Soviet period and the current situation**

The economic crisis in the USSR during the second half of the 1980s also affected the activity in the Northern Sea Route. In 1987, the amount of cargo transported on the route reached a peak of 6.5 million tons, and subsequently declined. In 1991, 4.8 million tons of cargo was shipped on the route and in 1996, only 1.8 million tons.<sup>10</sup> In 1991, during the final days of the USSR, the route was opened to international shipping.<sup>11</sup>

Interest in the Arctic region was renewed in the early 2000s and was primarily the result not of Russian government policy but rather the aspiration of Gazprom, the Russian energy company, to begin developing gas sources in the far north. Due to the lack of infrastructure in the regions of the main gas reserves, their development required first and foremost a huge investment in the development of infrastructure. According to various estimates, the investment required reached about \$20 billion over a number of years. It is possible that from the perspective of Gazprom it would have been preferable to involve the government in the development of the northern region so that part of the expenditure could be financed from the federal budget.

10 The Northern Sea Passage vs. The Suez Channel, Nezavisimaya gazeta, June 19, 2018. [http://www.ng.ru/energy/2018-06-19/11\\_7247\\_nord.html](http://www.ng.ru/energy/2018-06-19/11_7247_nord.html)

11 The Great Russian Encyclopedia; entry for the Northern Sea Route. <https://bigenc.ru/geography/text/3543982>



It is unclear whether this idea was appropriately packaged for foreign policy makers or whether they came to the same realization simultaneously. Whatever the case, the federal government also began to show interest in the Arctic region at approximately the same time. Only in this case, the interest was not only of an economic nature, but also aligned with the strategic vision of the Russian government.

After the terror attack in Beslan in 2004, Putin made the following statement: “We no longer devote enough attention to matters of defense and security. Furthermore, our country, which once had the strongest border defense, all of a sudden found itself to be unprotected, whether in the East or the West...We showed weakness and the weak are beaten. There are those that want to take something fat from us and others who are helping them.”<sup>12</sup>

The overall view of the subject was based on the idea of “global competition”, which has been adopted by Putin and his administration. Essentially, it was another version of “the war of each against all” (“bellum omnium contra omnes”), an idea suggested by Thomas Hobbes. In this view, Russia’s defense policy architects are convinced that as a result of the diminishing natural resources worldwide there is increasing competition over what is left and under these conditions the Arctic region—which has huge reserves of various natural resources—is starting to attract the attention of many countries. As a consequence, there is a developing threat against Russia which controls a large part of the region. This situation is forcing Russia to strengthen the defenses of this region. An additional view of the Kremlin’s philosophy on the “Arctic matter” can be seen from a statement by Nikolai Patrushev, the Secretary of the Russian National Security Council, according to which “the US, Norway, Denmark and Canada are implementing a coordinated policy to deny Russia access to the resources of the Continental Shelf.”<sup>13</sup>

Following a number of declarations, Russia’s policy guidelines in the Arctic were formalized in a government document called “On the Foundations of Russia’s Policy in the Arctic up to 2020 and beyond,”<sup>14</sup> which was approved in September 2008. In its first part, entitled “Russia’s Fundamental National Interests in the Arctic Region”, it is stated, among other things, that Russia must strive to exploit the Arctic as a “strategic source of resources that will ensure the achievement of the socioeconomic development of the country” and Russia needs “to use the Northern Sea Route as

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12 The official site of the Kremlin:

[http://www.kremlin.ru/appears/2004/09/04/1752\\_type63374type82634\\_76320.shtml](http://www.kremlin.ru/appears/2004/09/04/1752_type63374type82634_76320.shtml)

13 Trenin, D. and P. Bayev, *The Arctic: The View from Moscow*, Moscow, Carnegie Center, 2010, p. 15.

14 The official site of the Russian government: <http://government.ru/info18359>



Russia's exclusive national transportation route in the Arctic." Among the objectives derived from these interests, it mentions the expanded exploitation of natural resources in the Arctic region and ensuring the operational capabilities of the forces protecting the Arctic region.

The Arctic domain, from the perspective of both transportation and the military, is also mentioned in "The Military Doctrine of the Russian Federation." The most recent version of the doctrine was approved in 2017 and lists the following four main points:<sup>15</sup>

1. Ensuring free access of the Russian navy to the Atlantic Ocean and the Pacific Ocean.
2. The unique natural resources in Russia's Exclusive Economic Zone and in the Continental Shelf of the Northern Sea.
3. The growing importance of the Northern Sea Route to ensure Russia's stable development.
4. The decisive role of the Northern Fleet in the protection of Russia from the sea.

Following the statement of the Northern Sea Route's importance, Russian senior officials have expressed the idea of transforming it into one of the main maritime trade routes—one that even competes with the Suez Canal—for the transport of goods from East Asia to Europe.<sup>16</sup> In a speech to the Parliament on March 1, 2018, President Putin even declared that the goal is to increase the volume of cargo transported by the Northern Sea Route to 80 million tons by 2025 and to transform it into a "global trade route."<sup>17</sup> This goal does not appear to be particularly realistic. Thus, although during the 2000s the movement of cargo on the route began to rise following the low levels reached during the 1990s, only in 2016 did it reach about 7 million tons—the peak reached during the Soviet period—and in 2017 it reached about 9.9 million tons.<sup>18</sup> For purposes of comparison, the traffic through the Suez Canal totals several million tons every day. Thus, during one of the days in August 2017, which was a record day in the history of the Suez Canal, 74 ships passed through it carrying 5.2 million tons of cargo.<sup>19</sup>

15 Collection of the Russian Federation's laws: <http://legalacts.ru/doc/morskaja-doktrina-rossiiskoi-federatsii-utv-prezidentom-rf-26072015/>

16 For example, a news bulletin on the "official" television channel: [http://www.ng.ru/energy/2018-06-19/11\\_7247\\_nord.html](http://www.ng.ru/energy/2018-06-19/11_7247_nord.html)

17 [http://www.ng.ru/energy/2018-06-19/11\\_7247\\_nord.html](http://www.ng.ru/energy/2018-06-19/11_7247_nord.html)

18 The site of the Federal Russian Bureau of Statistics <https://fedstat.ru/indicator/51479>

19 <https://worldmaritimeneeds.com/archives/239818/suez-canal-bags-usd-5-3-bn-in-revenue-in-2017/>

Although, according to Russian officials, the use of the Northern Sea Route significantly shortens the distance between the ports of East Asia and those of Europe, there still remain numerous obstacles to shipping (the season during which it is possible to traverse the Northern Sea Route without icebreakers is only about four months long during the summer, and traffic accompanied by icebreakers during the winter is fairly slow), and there is a very low level of necessary infrastructure. It is possible that the Russian government expected that the Gazprom and Rosneft companies, which are interested in the North's resources, would invest in the region's infrastructure but they apparently never intended to do so and the economic crisis prevailing in Russia in recent years has made this even less likely.

The development of the route by means of foreign investment also appears to be problematic. It is possible that Western nations and companies will not participate in this initiative, both because of the economic sanctions imposed on Russia<sup>20</sup> and in light of previous experience (such as that of BP in the development of the Sakhalin-2 project from which it was expelled and its share transferred to Russian companies after it had provided most of funding in the development stage). The participation of China in the project also appears to be problematic, both because the Belt and Road Initiative ("the maritime Silk Road and belt for economic cooperation") answers its needs and because participating in the project essentially means helping Russia create infrastructure that can be used for military purposes, including the movement of naval forces from the Northern theater to the Pacific theater.

Another problem that is hindering trade activity on the Northern Sea Route is the rivalry between bodies over the exclusive right to operate in the Northern Sea Route—the Northern Sea Route Authority which is under Russia's Ministry of Transportation and is responsible for the operation of the route, including all of the infrastructure for the support of shipping and the 35 diesel-powered icebreakers, and Rosatomflot, a subsidiary of Rosatom, a government corporation that operates Russia's six nuclear-powered icebreakers, another three of which are under construction and another which is in the planning stages.<sup>21</sup>

In the meanwhile, Russia's activity in the North is limited to declarations and attempts to build a military infrastructure and the deployment of land-based forces, including

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20 The sanctions prohibit, among other things, the transfer of advanced technology that might contribute directly or indirectly to Russia's military capabilities. Furthermore, the sanctions impose tight restrictions on cooperation with a number of Russian companies and banks.

21 Northern Thorny Pass, *Kommersant*, June 18, 2018.

a division on the Chukotka Peninsula. In this context, one of the officer schools of the land forces has even established a special track for the training of infantry forces operating in the Arctic.<sup>22</sup> Nonetheless, it is unclear what part of the plan for force buildup will actually be implemented and which will remain on paper.

The plans for the civilian development of the Arctic region and in particular that of the Northern Sea Route are in a similar situation. Despite a number of declarations, there is a lack of budgets for investing in infrastructure and without those budgets the implementation of the aforementioned plans does not appear to be realistic.

## Conclusion

Whether there is a full melting of the ice along the Northern Sea Route or whether icebreakers will be used to assist ships in traversing the route, it appears that a growing volume of cargo will be shipped via the route in coming years.

It appears that for the foreseeable future the Northern Sea Route will not present a genuine threat to the current route through the Suez Canal, although it is possible that in the intermediate term it will see growing traffic and perhaps significant volumes of cargo.

It appears that the issue does not have any immediate implications for Israel or for our region, although in the intermediate and long term it should be remembered that the revenues from the Suez Canal are a major component of the Egyptian government's revenues and of the country's economy<sup>23</sup> and therefore it may be that the emergence of competition to the canal and a potential drop in its revenues will have major ramifications for Egypt's future. This is even more the case in view of the fact that the Suez Canal was widened (and even doubled in size in some spots) in recent years, as part of a massive national project that includes the establishment of new industrial parks along its route.

Clearly, the economic situation in Egypt will affect other countries in the region, including Israel.

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22 The official site of the Russian Ministry of Defense:

[https://function.mil.ru/news\\_page/country/more.htm?id=12072218@egNews#txt](https://function.mil.ru/news_page/country/more.htm?id=12072218@egNews#txt)

23 <https://www.reuters.com/article/egypt-canal-minister-idUSL5N0W74WT20150305>