

Iceland will play crucial role in Arctic sea route

From Prof Robert H. Wade.

Sir, Your article "Exploring the openings created by Arctic melting" (March 2) highlights China's growing interest in emerging sea routes across the Arctic. One reason is that the distance from Chinese ports to European and east coast North American ports is much shorter across the Arctic than through Suez or around the Horn.

Chinese planners anticipate building giant ice-strengthened container ships able to use the shorter route as the ice melts. But the cargoes would have to be shifted to smaller ships to enter their destination ports. Where would the transshipment port be located? One obvious place is Iceland, which sits at the entrance to - or exit from - the Arctic ocean. It has several fjords suitable for such a port.

This may help explain China's more-than-usual friendship with tiny Iceland. The Chinese embassy is the biggest in Reykjavik by far. When the president of Iceland paid a state visit to China in 2007 he was received with all the pomp and ceremony of the head of a major state. And when Iceland was campaigning for a seat on the security council in 2008, China backed it publicly and helped to raise support from mini states in the Pacific and Caribbean.

Russia, too, has its own interests in Iceland. It worries that the European Union is trying to become active in Arctic affairs, and may use Iceland as a channel if Iceland joins the EU. Russia regards Iceland as a fellow Arctic country, and is keen to help it stay out of the EU.

British and Dutch negotiators currently trying to drive a hard deal on Icesave should bear in mind Iceland's growing strategic significance as the Arctic ice melts. Icelanders have long memories, and draw encouragement from Kissinger's phrase, "the tyranny of the tiny".

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