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CHINA'S GREEN STATECRAFT AND NB8 ARCTIC SECURITY

HOW CAN THE NB8 MANAGE ITS DEPENDENCE ON CHINA IN THE GREEN ENERGY TRANSITION?

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China's Green Statecraft and NB8 Arctic Security

How can the NB8 manage its dependence on China in the green energy transition?

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Energy dependence has become a geopolitical liability. Russia's war against Ukraine, the US-Iran war and tensions with the Kingdom of Denmark over Greenland have all exposed the strategic weight of energy independence, critical minerals, and Arctic access. For the eight Nordic-Baltic states (NB8), the next vulnerability may emerge from the green transition itself, where China's dominance in clean technologies and critical mineral processing can be converted into strategic leverage. Some dependence is unavoidable in the short term; the task is to manage it deliberately rather than let it accumulate by default. This policy brief argues for integrating green energy security and Arctic security within a one strategic framework, because the Arctic's critical mineral resources, renewable energy infrastructure and emerging transport and digital connectivity projects are relevant to Europe's efforts to strengthen its energy dependence. This brief proposes collective measures to limit strategic dependence on China in the long term.

China's "Green cooperation" is an industrial strategy

For Beijing, green cooperation pitch is a channel for internationalising industries in which China has substantial manufacturing capacity while embedding those commercial ties within Beijing's broader vision of global governance. Beijing's Green Development is easily read as climate policy and is packaged as such by official Chinese communication. Its roots run deeper than any single five-year plan: the concept of "ecological civilisation" (生态文明) has been promoted since 2007 and is written into the Party and state constitutions. However, it is better understood as industrial strategy. [China's](#)

[2024 Energy Transition white paper](#) presents clean energy as a driver of “new quality productive forces” and as a new pillar of the country’s industrial system. That pillar rests on a complete domestic chain of energy-equipment manufacturing. The same document places international energy cooperation within the “community of shared future for mankind”, casting Chinese clean-energy technologies and industrial capacity as contributions to the global energy transition.

Behind the green cooperation doctrine sits an export plan. China is the world’s leading renewable-energy power, and the [15th Five-Year Plan \(2026-2030\)](#) makes projecting that position an explicit objective. It does so through the internationalisation of Chinese standards, the build-out of a “new electric power system”, and green connectivity along the Belt and Road, China’s flagship connectivity initiative. The mechanism that converts this position into leverage is enrolment. Partners are offered climate cooperation and inexpensive technology; the risk is dependence on Chinese-controlled supply chains. The EU-China joint statement on climate of July 2025 described [“green as the defining colour”](#) of the relationship, making the one area Beijing wants foregrounded the headline of the partnership.

According to the [European Commission](#), China provides 100 % of the EU’s supply of heavy rare earth elements (REE), used in the permanent magnets of wind turbines and electric-vehicle motors and essential for Europe’s green energy transition. Thus, the inputs needed already run through the Chinese controlled supply chains. The same holds further down the chain: according to [the IEA \(2026\)](#), China accounts for around 85% of global solar PV production capacity, including 95% of wafer manufacturing. But the EU is aware of the vulnerabilities. Climate commissioner Hoekstra has already warned that the EU’s dependence on China will make EU’s green transition [more costly](#). He has suggested that the EU accepts higher short-term costs to reduce its dependence on China for clean-energy technologies, and that delaying action would make the strategic vulnerability harder and more expensive to unwind in the future.

“Green cooperation” used as an entry point for diplomatic engagement

Not all NB8 states are part of the EU nor China’s views EU as a sovereign actor in its diplomatic engagements, nor the NB8 as a unified bloc. Iceland has had a free trade agreement with China since 2014 and Norway has long negotiated one, so EU instruments such as EV tariffs do not automatically apply region-wide, a gap Beijing can exploit. China’s diplomacy engages its members bilaterally, and the pitch for *cooperation in green development* has been welcomed positively by some NB8 governments.

In July 2026, Chinese Foreign Minister and Politburo member [Wang Yi toured](#) Denmark, Sweden, Finland and Norway, meeting senior leaders in each capital. [Green cooperation](#) formed a consistent thread: in Copenhagen Beijing discussed negotiations on a successor to their *2023-2026 Green Joint Work Programme*; in Helsinki Beijing emphasized implementation of their *2025-2029 Joint Action Plan and cooperation on green and low-carbon development*; in Oslo Beijing reaffirmed their *Green Transition Dialogue*; and in Stockholm engagement emphasized *the bilateral Working Group on Green Transition Investments*. Beijing framed these visits as one between partners rather than rivals, with the green cooperation rhetoric being used as a direct counter-pitch to EU’s pursuit of de-risking policy. With low domestic demand, China is not keen on losing European customers. But this is also Europe’s leverage, because Beijing’s export model needs European markets, for coordinated buyers this could give more bargaining power.



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In [Estonia](#) and [Latvia](#), Chinese officials have used local media to promote official narratives that portray green cooperation with China as economically beneficial and compatible with European decarbonization goals, while downplaying concerns over dependency and de-risking. For example, when Baltic states disconnected from the Russia-controlled BRELL electricity grid, in Chinese media space this was seen as a “new market opportunity” for Chinese energy-storage companies.

In Lithuania, despite continued reliance on Chinese wind and solar-related components, [Vilnius has banned by](#) law remote access to Chinese-made pieces of green equipment (wind and solar). Furthermore, all [Baltic states have supported EU's EV tariffs](#).

By negotiating state by state, below the level at which the EU coordinates, Beijing deepens each capital's enrolment while fragmenting any collective response. Beijing's leverage in individual European states is often built from the bottom up. These seemingly small bilateral strategic partnership agreements work as China's strategic assets for leverage and help China map the European dependencies. The Chinese state remains present in this process, at times through direct top-down instruction, but its role is usually more indirect. Firms subsidised at home sell their technologies to local and national authorities at prices that competitors struggle to match.

A 2023 [European Parliament study](#) found China's footprint in European critical assets had grown without central visibility, and a January [2026 EUISS brief](#) assessed that China is systematically embedding itself in global renewable-energy supply chains, connected devices and European energy system operators, while warning of growing cybersecurity risks associated with Chinese-made solar inverters.

The Arctic security contradiction

In its [2018 white paper](#), China declared itself a “Near-Arctic State” and promoted the Polar Silk Road as a framework for scientific and economic cooperation. This is where the green transition and Arctic security meet. The Nordic Arctic holds many of the critical minerals Europe needs to reduce its dependence on China, and Chinese capital has sought access to them, from Shenghe Resources' stake in Greenland's Kvanefjeld project to Chinese bids for the Tanbreez deposit, though geopolitical pressure has so far [kept such investment from materialising](#).

Yet the same Nordic governments that welcome green cooperation with Beijing are warned by their own intelligence services about China's Arctic ambitions. [Denmark's Defence Intelligence Service assessed in 2024](#) that China's Arctic research likely forms part of its military-civil fusion strategy and can support military planning. In 2021, Estonian marine scientist Tarmo Kõuts was [convicted of spying for Chinese military intelligence](#).

Chinese research is also present in the Nordic Arctic itself. For example, a Chinese Academy of Sciences institute has received satellite data via [Sweden's Esrange](#) since 2016, prompting defence warnings and the Swedish Space Corporation's [2020 decision not to renew Chinese contracts](#). In 2018, the Chinese Academy of Sciences [agreed with the Finnish Meteorological Institute to establish a joint research unit](#) in Sodankylä, Finland, and the Polar Research Institute of China runs an [observatory at Kárhóll](#) in Iceland. Such ground infrastructure is inherently dual-use. Russia's growing use of the Northern Sea Route [to ship sanctioned oil](#) to China is a further reason to assess Arctic connectivity through both green-transition and economic-security lenses.



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Main Exposures for the NB8

Two main exposures stand out. The first is NB8 states' **dependency on China for green technologies** and minerals, which the transition itself deepens. With solar, battery and magnet-mineral refining concentrated in China, meeting 2035 targets on current terms would hard-wire reliance on a single supplier.

The second exposure is **dual-use Arctic access**. Greater Chinese commercial, research and potentially naval presence near the Greenland-Iceland-UK (GIUK) gap and NB8 home waters can also create security risks and increase **vulnerabilities around critical undersea infrastructure**. [Frank Jüris of the Estonian Foreign Policy Institute has argued](#) that proposed Arctic subsea cable projects intersect with China's Digital Silk Road and Sino-Russian strategic cooperation, including potential dual-use surveillance applications. The [damage to the Balticconnector gas pipeline](#) by the Chinese-owned *New Polar Bear* in 2023, and the [cable damage attributed to the Yi Peng 3](#) in November 2024, illustrate this wider vulnerability.

Policy Recommendations

Individually, NB8 states are small relative to China. Their weight lies in acting as a pioneer group, developing common positions that the six EU members carry into EU economic-security and de-risking processes, and with which Norway and Iceland can align.

- **Make economic security the link between EU Arctic policy and the green transition.** The NB8 should use the revision of EU Arctic policy to ensure that Arctic energy and resource partnerships are assessed for supplier concentration, foreign control and dual-use risk. A dedicated Baltic-Arctic resilience track could combine Nordic Arctic experience and critical minerals endowment with Baltic expertise in cybersecurity, energy security and economic coercion.
- **Improve intelligence on dependencies.** NB8 governments should liaise with purchasers and importers of key green technology solutions to form a better situational awareness of dependencies and exposures at national level.
- **Detect dependency before individual deals become strategic assets.** NB8 governments should establish a mechanism for sharing information on Chinese green-technology procurement and bilateral agreements, including contracts concluded by municipalities, utilities and public agencies. The aim is to identify when individually rational deals are cumulatively creating dependence on a single technological ecosystem. Governments should also consult one another before renewing bilateral green-cooperation frameworks with Beijing.
- **Develop common exitability standards for critical green technologies.** NB8 governments should agree a shared methodology for assessing connected energy technologies, from grid infrastructure to solar inverters. Resilience should not be measured at the point of purchase, but by whether systems remain controllable, serviceable and replaceable throughout their lifecycle. Priority should go to connected and controllable systems (inverters, grid management, storage), where dependence creates control risk, ahead of commodity components, where it mainly creates cost risk.



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- **Turn NB8 green expertise into European industrial capacity.** The NB8 should push for coordinated use of EU, Nordic Investment Bank and national financing to scale existing Nordic-Baltic strengths (rare-earth magnet production in Estonia, wind power in Denmark, geothermal in Iceland, hydropower in Norway, Sweden and Latvia) from demonstration into competitive deployment. Diversification must be made economically viable, rather than resting on restrictions alone.
- **Use regional scale to diversify clean-energy supply chains.** NB8 states should coordinate procurement, standards, recycling and sourcing for critical minerals, batteries and renewable-energy components, in step with EU critical raw materials policy. The goal is to ensure the green transition does not replace one strategic dependency with another.



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