

February 4, 2026



# Executive Summary Report

Strategic Competition is no longer confined to traditional battlefields or via familiar fault lines. It is unfolding in new geographies, shaped by climate transformation, shifting alliances, and the pursuit of untapped resources. Nowhere is this more apparent than in the Arctic. As ice recedes and access expands, the High North is becoming a theater of strategic rivalry, particularly among NATO allies, Russia, and China.

Yet how we see the world determines what we understand about it. Most global frameworks follow east-west or north-south lenses, organizing geopolitical thinking along colonial, economic, or ideological lines. But in the current era, where climate, commerce, and conflict increasingly converge at the top of the world, those traditional frameworks can obscure more than they reveal.

The recent kerfuffle with the Trump Administration over the future of Greenland (which is part of Denmark, a NATO Ally) highlights the growing concern with the Arctic writ large and the dynamic interplay that will likely continue.

This report proposes a different vantage point: one that views the globe from above, centered on the North Pole. A "top-down" perspective clarifies the true proximity of NATO nations to Russia, the growing convergence of economic and military interests in the Arctic, and the emerging flashpoints that could escalate into regional or even global conflict. It also highlights a critical insight—the Arctic is not an isolated frontier, but a connective space, linking North America, Europe, and Asia, where strategic, economic, and environmental concerns are becoming inextricably linked.

In this report, we examine the geopolitical dynamics shaping the Arctic and High North, with a particular focus on the roles of NATO, NORDEFCO, and NORAD; the strategic positioning of the U.S., Canada, and Nordic nations; and the ambitions of Russia and China. We analyze five critical flashpoints that exemplify the growing tension in the region and explore why interoperability among allies is no longer a luxury but a necessity. Finally, we assess the broader security and economic implications, highlighting the opportunities and risks facing corporate and national stakeholders in a rapidly evolving Arctic environment.

Bottom line, the Arctic is no longer at the periphery of global affairs; it is becoming the center. Understanding what's at stake, and what must be done, begins by changing the way we look at the world.

As background and for the broader context of the "global commons," please see [Bancroft GEOIntelligence White Paper on Global Commons](#), of which the Arctic is one of the commons, and for a deep dive on the Arctic itself, please see [Bancroft GEOIntelligence Executive Summary on the Arctic and the Economic Implications](#).



[GEOIntelligence@bancroft4vets.com](mailto:GEOIntelligence@bancroft4vets.com)

## Important Arctic Groups:

*Arctic Council:* This is an intergovernmental forum formed in 1996, comprised of the eight nations largely known as the “Arctic countries”: Canada, Denmark, Finland, Iceland, Norway, the United States, Russia, and Sweden (of note, all are NATO members except Russia), along with several observers. This body is important for discussing issues and disagreements, but it has no formal authority. The council’s chairman is responsible for setting the agenda and establishing work priorities, with the chairmanship rotating every two years. Russia, by happenstance, had the chairman position when it invaded Ukraine in 2022. Russian actions were condemned by the other seven Council members, and they also boycotted the Council, pausing Arctic cooperation with Russia. However, work eventually resumed with Norway as its chairman, though certainly tentative with Russia remaining an antagonist. Starting in May 2025, Denmark took over the rotating chairman position.

Nordic countries are the five countries of Denmark, Finland, Iceland, Norway, and Sweden. All are advanced countries with open and free markets, growing economies, and a high standard of living. Further, with the recent additions of Finland and Sweden to NATO after Russia’s invasion of Ukraine, all are now in NATO. Each Nordic country has unique geographical aspects. For example, Denmark, if Greenland is included (Greenland is an autonomous territory under the Kingdom of Denmark), has the largest landmass of the five. As for Iceland, its strategic position is beneficial to NATO for basing and free market nations for seaborne shipping. Finland shares the longest border with Russia of any NATO country (about 830 miles). Norway has a long and rugged shoreline of more than 15,000 miles, Europe’s longest coastline, which requires rigorous naval surveillance and patrolling to protect its maritime interests, North Atlantic access, and its energy infrastructure. And Sweden has the second-largest landmass when compared to Greenland, also with a long coastline that includes both the Arctic and Baltic seas. Combined, the Nordic countries’ strategic locations, unique geological features, and significant Arctic presence are gamechangers.

*NORDEFCO:* Nordic Defense Cooperation is a security framework that includes the five Nordic countries for the purpose of enhancing collective defense efforts in the Nordic region. NORDEFCO nations see an aggressive Russia investing in military infrastructure in preparation for increased presence on their own borders, and they are further alarmed by Russia’s aggression targeting Ukraine. In response, the NORDEFCO security strategies all point to their alliance with NATO as their network for deterrence and collective defense (noting that the group is not a NATO-affiliated organization, but rather a subset of NATO countries in the Nordic area).

*NORAD:* North American Aerospace Defense Command (NORAD) is based on the 1958 bilateral air and sea cooperative agreement between the U.S. and Canada that shares monitoring, planning, defense procurement, and intelligence gathering focused on aerospace control and maritime warning for North America. While distinct from NATO, it collaborates with NATO on aerospace defense, including the Nordic countries.

*NATO:* The North Atlantic Treaty Organization military alliance, established in 1949 designed for collective defense and security of its now 32 members. For more information on NATO, please see: [Bancroft GEOIntelligence Executive Summary on the North Atlantic Treaty Organization](#). All groups listed are interconnected, but NATO is the most regionally and globally significant due

to its size, strength, and positive influence on security and stability. The recent addition of Finland and Sweden to NATO in 2023 and 2024, respectively, based on the threat Russia exhibited by its invasion of Ukraine, highlights the growing cooperation for mutual security. The NATO deterrence strategy is committed to protecting all members of the alliance, including the High North, from Russian aggression across the range of threats. This is also critical to the global economy, as the transatlantic is of utmost importance for the stability of free market nations. The annual report, *The Transatlantic Economy 2023*, states that together the U.S. and Europe make up 33% of Global GDP, and “the EU and the U.S. are each other’s most important trading partners.”

Once again, a “top-down” view of the world shows Russia’s massive border with NATO nations, including the United States, Canada, Greenland, and Norway, and how critical the Arctic Ocean and Baltic Sea are to Russia’s maritime access to the rest of the world, including its potential access to and control of massive untapped natural resources. While it is critical to pay attention to the Ukraine-Russia War, it is also important to understand the strategic campaign Russia is executing in the Arctic through long-range, high-stakes maneuvers and investment across all elements of national power.

## Other Players:

*Russia* is increasingly focused on emerging opportunities for economic growth, natural resources, and national security positioning. In terms of northern strategic positioning, Russia has the largest Arctic Exclusive Economic Zone (EEZ) defined under the Law of the Sea (UNCLOS) by the United Nations as exclusive rights of 200 nautical miles from its coastal baseline; Canada has the second largest, followed by the United States. Just as Russia is demonstrating its aggressiveness in Ukraine as what it considers to be its “near abroad” and rightful sphere of influence, Russia has similar designs on the Arctic for the long term. In this vein, in 2020, Russia published its Arctic 2035 Strategy with the goal to “establish its military and economic dominance in the region.” Since then, Russia has acted to achieve its strategic objectives, undeterred by the high costs of its war in Ukraine. In fact, Russia’s strategic ambitions in Ukraine emerge as only part of a larger grand strategy that includes the Arctic and perhaps other nearby areas such as the Baltics.

*Canada* is a critical ally of the United States with the largest international border in the world shared by two countries (Canada and the United States—a border of 5,500 square miles). The U.S. and Canada are mutually invested in each other economically; Canada is one of the largest trading partners with the U.S., albeit with challenges from the ongoing tariff rift. Canada has the ninth-largest economy in the world, with a strong services industry, as well as oil, gas, mining, and agricultural exports.

The *United States* has a significant stake in the Nordic countries. First, the U.S. has several long-standing Defense agreements (in addition to the NATO mutual defense agreement) and bases. For example, the U.S. has a long-standing military presence in Greenland with Pituffik Space Base (formerly known as Thule Air Base) as well as with Iceland’s Keflavík Air Base, which was an important base from the 1950s until 2006 (though limited agreements remain, especially with rotating U.S. bomber task forces from time-to-time). U.S. trade with the Nordic countries is significant, especially in goods like fuels, minerals, machinery, and chemicals (although, like that of Canada, there is stress with the ongoing tariff shifts).

While Russia is the primary antagonist in the Arctic, China aspires to be a “near” Arctic country (though there is no precedent for a “near” Arctic country) for resource extraction and Global Power positioning. Its external position is based on science and global cooperation, but its real objectives are more threatening. In addition to its growing military influence in the region described in the previous section, China is expanding its Belt and Road Initiative (BRI) with a spiral to include the Arctic that China labels as the “Polar Silk Road.” China’s attempts to corner the market with rare-earth minerals are at the heart of President Trump’s efforts to increase U.S. presence and security in Greenland.

## **Potential Flashpoints in the Nordic Region:**

The nexus of key strategic players and volatile strategic flashpoints creates dilemmas for nations to make decisions regarding positioning that exploits current and future opportunities. Free market nations work to sustain and enhance stability and security while assuring allies and partners, preparing for possible conflict, and deterring adversaries.

There are five major strategic flashpoints in the Arctic for consideration with respect to the Nordic region: The Lomonosov Ridge, the Svalbard Archipelago, the GIUK (Greenland, Iceland, UK) Gap, the Suwalki Gap, and the Kola Peninsula /Murmansk Oblast.

*The Lomonosov Ridge* is an underwater mountain range cutting across the Arctic Circle between the Arctic coasts of Russia and NATO’s Greenland (Denmark); both Russia and Greenland have claimed ownership of this mountain range. The UN Convention on the Law of the Seas asserts that coastal nations can claim an additional 350 nautical miles beyond their traditional 200 nautical mile limits from their coastal baseline “based on scientific evidence demonstrating that the area is a natural prolongation of their land territory.” Using this Convention, Russia has made a claim with the UN for the Lomonosov Ridge to the North Pole. Using the same Convention, Denmark also claims the ridge through the North Pole extending to Russia’s 200-mile limit. The tension is that whoever owns the ridge owns legal control of the exploration and extraction of its natural resources. These competing claims put not only Russia and Greenland (again, under Denmark) in dispute, but Russia and NATO in direct competition for control of the same key Arctic Ocean space.

*The Svalbard Archipelago* is another significant strategic flashpoint. The 1920 Svalbard Treaty officially recognized the Svalbard Archipelago as part of Norway; however, Norway was prohibited from establishing military bases, and foreign nations (including Russia) were given equal access to its natural resources. Although Russian presence across the archipelago greatly diminished after the Cold War, its interest in Svalbard has been increasing. In 2007, a Russian commission concluded, “Svalbard is a strategic site that gives us the opportunity to be present in the western part of the Arctic. Under the terms of the treaty, we must conduct economic activities here. With state-funded infrastructure, we would like to find activities that are self-sustaining.” Russia has been consistently reestablishing its presence ever since.

Today, Russia currently maintains a presence in the Archipelago through commercial mining operations, and Barentsburg, the second largest settlement in Svalbard, is run by the Russian state-owned mining company, Arktikugol. Furthermore, Russia plans to build a science research center in Pyramiden, an old abandoned Russian mining settlement, with the intention of opening it

to all BRICS nations, which they qualify as “friendly states.” This provides an open door for Russia and China to increase their physical presence in a NATO country. In response to the increasing presence of Russia and China in mining and research operations in the archipelago, Norway passed a law in 2024 requiring the government to approve foreign land purchases, citing national security concerns. However, there are international concerns about whether this is a violation of the 1920 treaty guaranteeing equal rights for signatories of the treaty to buy land in the archipelago.

A third strategic flashpoint is *the GIUK (Greenland-Iceland-United Kingdom) Gap*. Other than the Bering Strait between Alaska and Eastern Russia, the only other maritime access points to the Arctic are through the Northwest Passage between Greenland and Canada, or through the GIUK Gap. Furthermore, the GIUK gap is the only route through which Russia’s Northern fleet has access to the Atlantic, making it a focal point for Anti-access, Anti-denial competition for both Russia and NATO. As reported by the Center for Maritime Strategy, “even with the development of long-range strike capabilities by both sides, the Gap is still the gateway that links the High North and the Northern Fleet with the Atlantic and European nations. Russian Arctic military activity must be closely watched in order to prevent any undesired hostilities from escalating into conflict in the region.”

Fourth, *the Suwalki Gap* is also a significant strategic flashpoint as it is a nexus and intersection of the Arctic and Baltic threats. The NORDEFCON nations of Finland and Sweden became NATO members in 2023 and 2024, respectively. They are not only Arctic nations but also Baltic nations. Their new status in the alliance makes Russia’s Kaliningrad an enclave surrounded by NATO countries. Kaliningrad’s only overland lifeline is a small, strategically essential easement running along the border of Poland and Lithuania, connecting the enclave to Russia’s most staunch ally, Belarus. If war were to break out between Russia and NATO, failure to secure the Suwalki Gap could cut off Lithuania, Latvia, and Estonia. At the same time, if NATO were able to control the gap, it would separate the Baltic Fleet from direct Russian support over land. Either escalation would be highly militarily contested by both sides.

Finally, *the Kola Peninsula /Murmansk Oblast*, home of the Russian Northern fleet, is experiencing heavy investment in military infrastructure. Finland expects, once the war in Ukraine winds down, that Russian military presence along its border will triple within five years. Arctic Today reports that, “Recent military activity includes dozens of helicopters at a previously dormant base near Murmansk, an increase in aircraft at Olenya air base less than 100 miles from Finland, and over a hundred new tents at Kamenka, a base just 40 miles from the border. Analysts believe Russia is restructuring brigades into larger divisions in preparation for future tensions with NATO, particularly in the Arctic.”

## **Addressing the Threats:**

The closer a nation within NATO, NORDEFCON, and NORAD is in proximity to Russia, the more existential it perceives its threat to national security; nations know too well that ignoring or delaying enhanced security is not the best option. As a result, all nations within the organizations of NATO, NORAD, and NORDEFCON are centered on the idea of interoperability, the collective ability to tactically and operationally shoot, move, and communicate to fight and win in future conflict. While interoperability is intuitive in concept, it is extremely difficult.

The ability for a single military, like the United States, to be interoperable across multiple services is a professional task of high order; though not perfect, the United States' Joint (or multi-service) Force is the world's best in this area. The difficulty of achieving interoperability with two or more militaries increases exponentially; achieving true interoperability is a generational task requiring the collective cooperation of military and civilian leaders at all levels, focused on capabilities, access, and exercise. Interoperability is not only directly related to establishing and enhancing capabilities that facilitate operational and tactical execution, but it is also dependent upon ensuring access to key locations and the positioning and posturing of key warfighting assets to enable the power projection of forces, while precluding threat power projection through Anti-Access, Area-Denial efforts.

Militaries within NATO, NORDEFCO, and NORAD constantly procure, train, and exercise their capabilities and units to enhance their ability to employ forces from a unilateral, bilateral, and multi-lateral joint perspective—across all domains. Regional exercises like Nordic Response and Immediate Response give credence to the pursuit of interoperability and its significance to the future security and stability of the North Atlantic region. In the recent words of U.S. Marine Corps Maj. Gen. Robert Sofge, commander of U.S. Marine Corps Forces Europe and Africa. "Our greatest strategic advantage in the Arctic region is a network of Allies and partners committed to Arctic security, and more importantly, peace and prosperity..." He went on to say that, "Nordic Response stresses that now is the time to get our systems connected, our doctrine aligned, and to share our tactics to ensure we can sense and make sense in a complex battlefield, in the harshest of conditions, against a capable opponent." These powerful statements highlight the critical role that the integration of allies and partners in the region plays collectively through NATO, NORDEFCO, and NORAD to ensure national and economic security from a "top-down" perspective, providing for broader national and economic security and stability.

## **Key Security and Economic Takeaways:**

The Arctic is a Central Front in Strategic Competition. Once peripheral in global security discussions, the Arctic is now a core domain of geopolitical rivalry. The melting polar ice is opening new shipping lanes and access to tapped and untapped resources (rare earth minerals, gems, oil, and gas), bringing renewed competition to this critical region and the potential for conflict.

Geography demands a "top-down" strategic lens. Viewing the globe from a North Pole perspective reveals Russia's extensive Arctic border with NATO countries (U.S., Canada, Norway, Denmark via Greenland). Critical chokepoints and flashpoints like the Suwalki Gap, Kola Peninsula, the GIUK Gap, etc, are not as obvious in traditional east-west or north-south worldviews. The Arctic is a linkage between the Atlantic and Pacific; Europe and North America; commerce and conflict. Cooperation, coordination, and interoperability among the United States, Canada, the Nordic countries, and NATO are essential for national defense and future economic security.

Russia's militarization of its Arctic frontier and aggressive territorial claims (e.g., Lomonosov Ridge, Svalbard, GIUK Gap), aiming for regional dominance, is a concern. Clearly, Russia is executing a long-term strategic approach in the Northern Hemisphere that extends well beyond Ukraine. For at least the near-term, Russia has the highest risk–reward potential in the Arctic given its economic dependency on energy exports, which existed for decades but now substantially increased for its war economy to fund Russia's campaign against Ukraine.

China has an increasing stake in the outcome of the Arctic development in its global positioning. And as mentioned earlier, growing Chinese presence under the label of a "near-Arctic state," though it really is not an Arctic state.

President Trump's focus on the Homeland and the Western Hemisphere writ large is his top national security priority. Military operations in the Caribbean and South America (to include Venezuela), as well as posturing with Denmark over Greenland, highlight the importance President Trump places on these regions. Time will tell if the Administration will be successful in reducing Chinese and Russian influence in our near-abroad.

Another national security priority is increased defense burden sharing with allies, so that they do more for themselves while allowing the U.S. to focus more on the Western Hemisphere and the Indo-Pacific (to deter China, another high national security priority). Along these lines, interoperability among allies is critical. The ability of NATO, NORDEFECO, and NORAD nations to operate seamlessly is essential for deterrence and effective response to threats in the High North. Yet it is exceptionally difficult given differing systems, doctrines, languages, and logistics across multi-national militaries. That said, the ongoing and increasing exercises (such as Nordic Response) aimed at enhancing joint force readiness across all domains (land, sea, air, cyber, space) are making steady improvements to interoperability.

Global strategic positioning in the Arctic is not only critical for national defense but also for economic security for free-market nations. Economic opportunities in the Arctic are many. First, as mentioned earlier, are the new shipping routes opening due to melting ice? There are also plentiful natural resources, especially oil and gas (tapped and untapped). Further, several countries have rare earth minerals (Greenland, Norway, and Russia are prime examples). In addition, renewable energy projects such as wind, solar, and hydropower are expanding, as are fishing and tourism.

*This information is being provided for information purposes only and should not be construed as an offer to sell or a solicitation of an offer to buy any securities. Nothing in the material should be interpreted as investment, tax, legal, accounting, regulatory or other advice or as creating a fiduciary relationship. Product names, company names and logos mentioned herein are trademarks or registered trademarks of their respective owners.*

*Unless otherwise specifically stated, any views or opinions expressed herein are solely those of the author and/or the specific area from which it originates and may differ from the views or opinions expressed by other areas or employees of Bancroft Capital, LLC. The information described herein is taken from sources which are believed to be reliable, but the accuracy and completeness of such information is not guaranteed by us.*

*Bancroft Capital, LLC is a member of FINRA and SIPC.*