

# China's Foray into Sri Lanka and India's Response

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IDSA

When the four-day visit of Sri Lankan President Mahinda Rajapaksa to New Delhi from 9 June was followed by the visit of the Chinese Vice-Premier Zhang Dejiang to Colombo from 12 June, it looked like a co-incidence. But analysts and observers would not agree so. It was rather Sri Lanka's fine balancing act to keep both these mighty neighbours in good humour, while at the same time benefitting from both.

Be that as it may, China's foray into Sri Lanka in recent years has somewhat heightened India's engagement in the island nation, separated by the small stretch of the Palk-Strait. The growing friendship between China and Sri Lanka may not be a matter of concern to India, but New Delhi cannot afford to gloss over China's increasing presence there. Unlike India, China and Sri Lanka do not share cultural and linguistic affinity and proximity or political culture or even affiliation to any multilateral body like the Commonwealth. In spite of this asymmetry, China's strategic interest and aid diplomacy have led to close cooperation between the two, much to the anxiety of India.

Ever since the epithet 'string of pearls' gained currency, there have been some concerns among strategic analysts and commentators about China's help and assistance in the construction of the Hambantota port on the Indian Ocean in Sri Lanka. There is a perception that it may be detrimental to India's strategic and security interests. While the harbour is generally perceived as an engineering marvel, analysts view it as a symbol of the growing relationship between Beijing and Colombo with China lending \$360m for the first phase of the project. Hambantota is in the family constituency of President Rajapaksa. Building Hambantota is estimated to have cost \$1 billion and it is being built in four

phases over the period of fifteen years. The project, which envisages building oil and gas terminals, berths and port facilities, like those at Gwadar in Pakistan, has potential for dual use. The port in Hambontota, deeper than the one at Colombo, is to be used as a refueling and docking station for the Sri Lankan Navy. Although China and Sri Lanka claim that this is merely a commercial venture, its future utility as a strategic asset for China cannot be ruled out.

Hambontota port is a robust example of China's purposive engagement with Sri Lanka which began in 1950s. A peep into the bilateral interaction between the two countries is suggestive of how Beijing had been making efforts to court Sri Lanka to establish its footprints there. The most glaring example of this is the Rubber- Rice Agreement of 1952, which has been renewed from time to time. The agreement 'was said to be too attractive and a boon to Sri Lanka for it not only provided a market for its surplus rubber but obtained its access to low priced food-grains so much needed.' Yet another major breakthrough in the bilateral relationship between China and Sri Lanka was the Maritime Agreements of July 1963 which had provided for most favoured nation treatment for the contracting parties' commercial vessels engaged in cargo and passenger services to and from these two countries or a third country.

Over the years, the Chinese presence in Sri Lanka has increased so much so that there is no major infrastructure project in which the Chinese have not invested. It is estimated that China was Sri Lanka's biggest source of foreign funding in 2009, providing \$ 1.2 billion, or nearly triple the \$424 million given by the number two overseas lender, the Asian Development Bank. Besides the much-touted Hambantota port, other projects in which China has invested include an oil-storage facility, a swanky airport, a coal-fired power plant and an expressway. It is also rebuilding the main roads in the war-shattered north and east, and constructing a modern performance arts center. It has also sold diesel railway engines and earth moving equipments.

The relationship between the two countries received a major boost during the recent three-day visit of 30 member delegation led by Chinese Vice-Premier Zhang Dejiang to Colombo, during which as many as six agreements were signed. The agreements cover highways development, enhanced cooperation in information technology and communication, development of maritime ports and the second phase of the Hambontota Port Development Project and maintenance of the Bandernaike Memorial International Conference Hall. Beijing offered \$200 million to Sri Lanka for the second phase of the Hambontota port. Mr. Zhang who met President Rajapaksa, reiterated China's commitment to

the economic development of Sri Lanka. A statement issued by the Sri Lankan President's office described the meeting as cordial and constructive. It further said that the Sri Lankan President thanked China for its continued assistance in the efforts to defeat terrorism and economic and social development both during and after the conflict. As a gesture of goodwill, Beijing recently donated 30 Chinese motorcycles to President Rajapaksa's younger brother Basil Rajapaksa, a minister in his brothers' cabinet, for use by officials in his constituency. In the past few years, particularly during the regime of President Rajapaksa, China and Sri Lanka have forged a comprehensive strategic relationship. It is a revelation that President Rajapaksa has visited China five times while in office and three times before assuming the Office, which recently prompted the state-owned Sunday Observer to comment that the 'silky relationship' has reached new heights during the Rajapaksa era.

Although India has always maintained a friendly and cordial relationship with Sri Lanka and has extended support and assistance, China's recent inroads into Sri Lanka have accelerated India's engagement in the island nation more proactively, thoughtfully and imaginatively. It is against this backdrop that the visit of President Rajapaksa to India in June and the subsequent visit of India's Naval Chief to Sri Lanka assume importance. The most significant outcome of the visit of the Sri Lankan President was that the two countries agreed to promote dialogue on security and defence issues and step up high level military exchanges and training. The two sides agreed to institute an annual defence dialogue between the two governments and to promote the use of space technology for a variety of societal services. India offered to extend bandwidth to set up satellite-interactive terminals in Sri Lanka. India also agreed to assist in rebuilding the Palay Airport and the Kankesanthurai Harbour and offered its help in renovating the Duraippah stadium and constructing a cultural center in Jafna. These proposals clearly reflect India's eagerness to retrieve some of the lost grounds to China.

The two leaders also agreed on establishing the Consulate-General of India in Jafna and in Hambantota to reinforce consular cooperation and friendly links. The Independent Sunday Times of Sri Lanka, referring to India's proposal to open a Consulate in Hambantota, commented that the Indian move to open a Consulate is 'because of Indian fear of the growing Chinese influence in Hambantota district, particularly in view of China's involvement in the harbour development project. It is believed that the issue of China's rising profile in the island nation was raised by India during the meeting with the Sri Lankan President. Rajapaksa

is understood to have addressed India's concern by assuring Prime Minister Manmohan Singh that the Chinese workers would quit the island nation once the projects are completed.

Sri Lanka's balancing act between these two mighty neighbours is statesmanly. Reassuring India of Sri Lanka's time tested trust and confidence in an interview to a leading English Daily, President Rajapaksa recently said, 'we are a non-aligned country. Our neighbours are Indians. I always say, Indians are our relations. From the time of Asoka, we have had that culture... but that doesn't mean we won't get commercial benefits from others; from China, or Japan, or whoever. They will come here, they will build and they will go back. India comes here, they will build and they will stay. This is the difference...'

Although India is not competing with China in Sri Lanka and India's narrative with Sri Lanka has its own resonance, in view of China's foray into the island nation, India should do the following:

First, a visit at the highest political level either by the President or the Prime Minister should be planned, prior to which either the External Affairs Minister or the Chairman Rajya Sabha/ Speaker Lok Sabha may pay a visit leading a delegation. There should be more exchange of Parliamentary Delegations between the two Parliaments.

Secondly, the number of ITEC slots and ICCR scholarships for Sri Lankan nationals and students should be increased. Since English is the common language of instruction in both India and Sri Lanka, the Sri Lankans will prefer India for many reasons including cultural and linguistic proximity.

Thirdly, the SAARC Speakers and Parliamentarian Conference, which is now defunct, should be activated to provide a platform for meetings on the margins. Fourthly, the Indian Culture Center in Colombo should come out with imaginative programmes to showcase Indian culture. Lastly, and most importantly, there should be a strategic dialogue between IDSA and Sri Lankan think tanks.

**Source:** [http://www.idsa.in/idsacomments/ChinasForayintoSriLankaandIndiasResponse\\_rnda\\_s\\_050810#footnoteref5\\_5xyjjq](http://www.idsa.in/idsacomments/ChinasForayintoSriLankaandIndiasResponse_rnda_s_050810#footnoteref5_5xyjjq)