

**SRI LANKA AND CHINA'S MARITIME
SILK ROAD: A CONVERGENCE
OF INTERESTS**

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EAI Background Brief No. 1007

Date of Publication: 12 March 2015

Executive Summary

1. Chinese President Xi Jinping's visit to Sri Lanka in September 2014 was largely to promote his vision of a Maritime Silk Road. Sri Lanka is strategically located mid-way along China's envisaged Maritime Silk Road between East Asia and the Middle East and East of Africa.
2. However, in the January 2015 Sri Lankan presidential election, then President Mahinda Rajapaksa, who adopted a "China tilt" in his foreign policy, unexpectedly lost to Maithripala Sirisena. Speculation was then rife that Beijing's Maritime Silk Road strategy may well be thwarted if the new president were to cancel the US\$1.4 billion Chinese mega port project in Colombo approved earlier by his predecessor.
3. In February 2015, China sent a special envoy, Assistant Foreign Minister Liu Jianchao, for talks with the new Sirisena administration. Liu subsequently secured an agreement with Sri Lanka not to scrap the port venture. However in the following month, the Sri Lankan cabinet decided to "temporarily and immediately" suspend operations there.
4. Conceivably, the new Sirisena presidency may recalibrate a more "balanced" foreign policy: closer scrutiny of other Chinese projects in Sri Lanka and curtailment of PLAN (PLA Navy) submarines docking at the island to avoid antagonising India.
5. However, Sri Lanka is likely to continue to pursue close ties with China for its economic recovery and development after a devastating 26-year civil war with the separatist Tamil Tigers. As its largest investor and donor, China is an indispensable partner to Sri Lanka.
6. In Colombo, Beijing plays three critical roles as a key weapon supplier, a shield against Western and Indian criticisms of Sri Lanka on human rights issue and the island's number one economic partner. Beijing was also key to the ending of the long-running civil war in Sri Lanka by supplying weapons to crush the Tamil Tigers.
7. Nevertheless China has to consider the island's domestic politics in its calculation and be conscious of legitimate Sri Lankan concerns about proper and transparent

procedures for the bidding of projects, the environmental impact of these projects and the burden of debt repayment to Chinese lenders.

8. Beijing may have to distance itself away from the corruption scandals of then President Rajapaksa and his venal family and cronies made possible by China's vast infrastructure investments in the island. It would do well to be more sensitive to Indian unhappiness about Chinese submarines docking at Sri Lanka.
9. The case of Sri Lanka shows that the realisation of China's envisaged Land and Maritime Silk Roads will be fraught with difficulties. The challenge for China is, therefore, to look for a convergence of interests with the countries along the two Silk Roads.