

Chinese president visits Sri Lanka to strengthen strategic ties

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Chinese President Xi Jinping made a two-day visit to Sri Lanka this week to try to strengthen Beijing's strategic ties with Colombo, chiefly by offering investment in major projects.

The first trip to the island by a Chinese president in 28 years, it was part of a three-country South Asian tour, seeking to counter aggressive moves by the US and Japan to line up countries in the region behind the US "pivot to Asia" against China. Xi was in Maldives for two days before reaching Sri Lanka and then flew to India for a three-day visit.

Japanese Prime Minister Shinzo Abe had just made an equally rare two-day visit to Sri Lanka on September 7–8, signaling a bid to secure Japanese influence in South Asia and the Indian Ocean, and undermine China's clout.

In Maldives, Xi sealed a number of investment deals, including a multi-million dollar upgrade of Malé's international airport, which had been earlier contracted to Indian company GMR, as well as infrastructure projects for housing, roads and a landmark bridge. Xi obtained support for Beijing's plan for a 21st Century Maritime Silk Road, a strategic move to secure access to crucial supplies of energy and raw materials via the Indian and Pacific Oceans.

In Sri Lanka, Xi held talks with his counterpart Mahinda Rajapakse, then signed 27 bilateral agreements, notably a "Plan of Action" to deepen the "Strategic Cooperative Partnership." Other agreements were for investments totaling billions of dollars in the power sector, industry, sea reclamation, water supply and other areas.

A joint statement declared: "The two sides agreed to strengthen defence cooperation and to cooperate in the areas of defence-related science and technology, exchange of military academics, and provide logistic

support." It was further agreed "to maintain the momentum of visits between the two defence authorities and military forces at all levels."

Xi secured Colombo's support for China's Maritime Silk Road plan, in which Sri Lanka agreed to "actively participate and cooperate," and launched Colombo Port City to be built on an artificial island with a Chinese loan of \$US1.4 billion. Promoted as Sri Lanka's "largest development project," the port will be a "hub on the marine Silk Road of Asia," according to the builder, China Communication Construction, highlighting its strategic importance for Beijing.

Xi and Rajapakse also launched the final phase of a 900-megawatt coal power plant, a Chinese investment project valued at more than \$1.3 billion, being built at Norochchola in the northwestern province.

To further their economic ties, the two governments "announced the launch of the negotiations on the China-Sri Lanka Free Trade Agreement and expressed their commitment to ensure the early implementation." Since Rajapakse took office in 2005, bilateral trade between China and Sri Lanka has increased by 368 percent to \$3 billion in 2013. Last year, China became Sri Lanka's second largest trading partner behind India, surpassing the US.

China developed its influence in Sri Lanka, which is situated alongside crucial Indian Ocean sea routes, by securing economic and geo-political concessions from Rajapakse in return for Beijing's unrestrained support for his war against the separatist Liberation Tigers of Tamil Eelam (LTTE).

For Rajapakse, close ties with China are crucial to counter the pressure exerted by the US and other Western powers, which are exploiting the war crimes committed by his military during the civil war against the LTTE. Having fully backed Rajapakse's war, the

US and its allies are cynically using the “human rights” issue to push him to distance the country from China.

Underlining Beijing’s backing for Rajapakse, Xi published a letter in the Colombo government-owned *Daily News*, writing that China “resolutely opposes any move by any country to interfere in Sri Lanka’s internal affairs under any excuse.”

The Rajapakse government is also desperate for Chinese funds for infrastructure projects, including port facilities, expressways and a new international airport. With investments totaling more than \$6 billion by September 2013, China has become Sri Lanka’s largest investor, replacing India.

With the help of a pliant media, Rajapakse used Xi’s visit as a propaganda stunt to dampen growing anger among the working class and rural toilers against his government over its austerity measures. The media have been full of reports promoting the “benefits to the country” brought by Xi’s visit, with headlines such as: “Colombo Port City dream comes true,” “Colombo gets facelift with Port City” and “Port City will cement country’s position as the ‘Wonder of Asia’.”

Rajapakse hailed the Norochcholai power project as the means for providing “cheap electricity for every resident” in the country and announced an immediate 25 percent reduction of electricity bills and slight decreases in fuel prices. Coming after repeated increases, this is an attempt to hoodwink voters in today’s Uva provincial election and ahead of possible early national elections next year.

While praising China’s investments, some sections of Sri Lanka’s ruling elite have expressed concerns over the erosion of ties with the US and other Western powers. This anxiety comes amid Washington’s renewed war in the Middle East and confrontations with Russia and China.

A *Sunday Times* editorial on September 14 complained that the secrecy and swiftness of China’s financial dealings with the Rajapakse government “fuel conspiracy theories and genuine fears alike, that, to put it mildly, Sri Lanka is in China’s pocket.” It advised the government “to take some control of its relationship with Beijing and show that though straining under the weight of Chinese debt, this country is no pushover,” adding: “One of the ways in which to do this is to balance the equation by resurrecting or strengthening ties with other nations.”

Ranil Wickremasinghe, the leader of the main opposition United National Party (UNP), which is known for its right-wing pro-US record, welcomed Xi’s visit, but alleged corruption in government projects. Advocating an “anti-corruption campaign,” he said: “The UNP hopes this campaign will reach across the spectrum of economic activity, including in the sphere of development assistance, grants and other types of commercial and humanitarian funding.”

In response to intensified US pressure, expressed in the US-sponsored resolution at the UN Human Rights Council in March establishing an international inquiry into Sri Lankan war crimes, Rajapakse has signalled his willingness to accommodate to US strategic interests. Most recently, he joined Abe to voice concerns over the missile program in North Korea, an ally of China. At the same time, Rajapakse is maintaining his government’s ties with China, playing a balancing act that is highly untenable amid growing geo-political tensions globally.



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