

# US invests in Colombo Port, deepening tensions with China

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Washington has decided to make a large investment in the construction of the deep-water Colombo West International Terminal (CWIT) at Colombo Port in Sri Lanka.

The CWIT will be built by the Adani Group of India at an estimated cost of \$US700 million. The US government-run International Development Finance Corporation (DFC) will provide \$553 million or 79 percent of the cost, lending funds to the Adani Group, which will have a 51 percent share of the terminal under a 35-year agreement. John Keels Holdings, a local conglomerate, will have a 34 percent share and the state-owned Sri Lanka Ports Authority 15 percent.

Washington established the DFC five years ago in response to China's Belt and Road Initiative, a major international infrastructure project. Beijing is spending tens of billions of dollars annually to construct ports, airports, rail lines and roads, primarily in underdeveloped nations to boost its global economic influence and to counter US strategic encirclement.

The CWIT is located next to a \$500 million Chinese-run container terminal in Colombo Port. When completed, CWIT will be 1.4 kilometres long and 20 metres deep, with an annual capacity of 3.2 million containers.

Addressing the official signing investment agreement with its partners on November 9, DFC CEO Scott Nathan said, "The DFC works to drive private-sector investments that advance development and economic growth while strengthening the strategic positions of our partners... It's a high priority for the United States to be active in the Indo-Pacific region."

Washington's "high priority" activity in the Indo-Pacific is aimed against Beijing and in line with its preparation for military confrontation against China. Its principal strategic partner is New Delhi and Indian Prime Minister Narendra Modi's Hindu-chauvinist regime.

The US and India want Sri Lanka—situated astride key

sea-lanes from the Middle East and East Africa to Southeast Asia and Australia—locked into their geo-strategic plans.

The Adani Group and its chairman Gautam Adani have close relations with Modi and have been critical to his government's success. The giant corporation has benefitted from New Delhi's privatisation of public infrastructure, such as airports, coal mines, energy generation and transmission, and seaports. It has acquired Israel's Haifa port and previously, the rights to construct Australia's controversial Carmichael coal mine in Queensland.

India has also boosted its economic interests in Sri Lanka in recent years. Sri Lankan President Wickremesinghe visited New Delhi in July signing various "Joint Vision" agreements. These included the construction of a pipeline from southern India to Sri Lanka; a solar power project; Liquefied Natural Gas infrastructure; and a high-capacity power grid link. Trincomalee, in Sri Lanka's east, will also be developed as an industrial hub with port and logistical facilities, along with port facilities to be constructed at Kankasanthurai in the north.

The US and India supported Sri Lanka's efforts to secure a \$3 billion International Monetary Fund (IMF) bailout loan. New Delhi also provided a \$4 billion long-term loan during the island's unprecedented economic and political crisis, and the subsequent mass uprising in April–July last year that brought down the Rajapakse government.

Constantino Xavier, from the Centre for Social and Economic Progress, a New Delhi-based think tank, told the *Financial Times* on November 8 that the US investment "reflects growing strategic trust between India and the United States to cooperate to offer alternatives to China's Belt and Road Initiative." It is "part of a larger Indian regional connectivity strategy that ropes in the

private sector and strategic partners like the US, Japan and European Union,” he said.

United States Agency for International Development (USAID) chief Samantha Power made a three-day official visit to Sri Lanka in early September, indicating the significance of Sri Lanka to Washington’s regional strategy. Power’s visit followed trips by other senior US officials, including Under Secretary for Political Affairs Victoria Nuland, Assistant Secretary of State for South and Central Asia Donald Lu, and Deputy Assistant Secretary of Defense for Indo-Pacific Security Affairs Jedidiah Royal.

The US and India have been particularly aggressive in pressuring Sri Lanka to cut its ties with China. In August 2022, Washington and New Delhi vehemently opposed the Yuan Wang 5, a Chinese research ship, from docking at the China-controlled Hambantota Port, labelling the vessel a “spy ship.” The Sri Lankan government, after delaying for some days, allowed the ship to dock.

India and the US raised similar concerns last month when another Chinese naval vessel, the Shi Yan 6, wanted to dock at Colombo. The ship was conducting joint research with Sri Lanka’s National Aquatic Research Agency. Colombo after a few days’ hesitation, allowed the ship to dock, informing Washington and New Delhi that the vessel was only doing research.

Beijing has intervened to counter the aggressive actions of India and the US.

On November 18, Chinese President Xi Jinping sent Shen Yiqin, a state councillor, on a three-day visit to Sri Lanka. She held discussions with President Wickremesinghe, Foreign Minister Ali Sabry and several other senior government officials. Since 2000, China has been involved in 300 projects in Sri Lanka, committing \$20 billion over this period, in a bid for economic influence in the island.

A press release issued by the Sri Lankan Presidential Media Division noted that Colombo had agreed to participate in the second phase of China’s Belt and Road Initiative (BRI).

State councilor Shen reiterated that the BRI was likely to provide a larger economic contribution to Sri Lanka, adding: “China is also prioritizing the extension of the China-Myanmar Economic Corridor (CMEC) to Sri Lanka.” The CMEC is the newest of the six land corridors being developed through the BRI.

Last Thursday, Wickremesinghe told the India-based *First Post* that Sri Lanka would join this initiative. He also discussed his readiness to conclude a Free Trade

Agreement with China and further develop tourism between two countries.

Shen’s Colombo visit followed her participation in the inauguration of the newly-elected Maldives President Mohamed Muizzu. The pro-China Muizzu came to power in September after ousting Ibrahim Mohamed Solih, who was close to the US and India.

At the inauguration ceremony, Muizzu reiterated his call for Indian troops stationed on the archipelago to leave. Although India has not yet responded to Muizzu’s demand, it is another indication of the intensifying geopolitical power struggle in the region.

Wickremesinghe insists that Sri Lanka wants to keep away from these conflicts. He admitted, however, in his *First Post* interview that the Indian Ocean region and Sri Lanka, “may become battleground in the geopolitical power struggle between India and China.” Sri Lanka, he added, “will not do anything to hurt India’s security.”

While Wickremesinghe, a veteran pro-US stooge, is desperately trying to maintain this political balancing act to secure assistance for the crisis-ridden economy, Sri Lanka is caught up in a geopolitical maelstrom.

The US and NATO powers continue their brutal war against Russia in Ukraine. In the Middle East, they fully support the Israeli Zionist regime’s genocide against Gaza and are preparing for a wider military conflict with Iran, with war against China the ultimate aim. These imperialist-led wars directly pose the eruption of a Third World War between nuclear-armed nations and a catastrophe for mankind.

It is imperative for workers and youth in Sri Lanka to unite with their class brothers and sisters in South Asia and internationally to build an anti-war movement based on socialist policies.



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