India-Sri Lanka Ties: Promoting Connectivity, Catalysing Prosperity

Why in news?

Amidst the Chinese influence and Sri Lankan financial crisis, Sri Lankan President Ranil Wickremesinghe visited India recently.

What are the outcomes of the visit?

- **Joint Statement** - During the visit, Indian PM and the Sri Lankan PM jointly released the statement on economic cooperation titled *"Promoting Connectivity, Catalysing Prosperity: India-Sri Lanka Economic Partnership Vision."*
- The document lays out the vision in five areas: maritime, air, energy, trade and people-to-people initiatives.



- **Maritime connectivity -** To cooperate in development of ports and logistics infrastructure at *Colombo, Trincomalee and Kankesanthurai* .
- *Passenger ferry services* - The ferry services will be resumed between Nagapattinam in India and Kankesanthurai in Sri Lanka and work towards early resumption of Rameshwaram-Talaimannar link.
- **Air connectivity** - To resume flights between Jaffna and Chennai that would enhance people-to-people ties.
- *Investment* **-** To encourage and strengthen the cooperation in civil aviation including augmentation of *airport infrastructure at Palaly*.
- **Energy and power security-** A MoU signed to develop Sri Lanka's significant renewable energy potential, including offshore wind and solar energy.
- Explore cooperation in *green hydrogen and green ammonia*.
- To cooperate for construction of a *multi-product petroleum pipeline f*rom Southern part of India to Sri Lanka.
- To undertake mutually agreed joint exploration and production of hydrocarbons in Sri Lanka's offshore basins.



- **Trade, Economic and Financial connectivity -** To undertake discussions on Economic and Technology Cooperation Agreement with an aim to comprehensively enhance bilateral trade.
- A MoU was signed to operationalise *UPI digital payments in Sri Lanka* and to designate the Indian Rupee as currency for trade.
- To leverage India's *Digital Public Infrastructure* in accordance with Sri Lanka's requirements and priorities towards effective and efficient delivery of citizen-centric

services.

- **People to people connectivity** - To explore ways of enhancing tourism and cultural and religious travel, and educational collaboration.
- To promote *awareness* and popularize India's Buddhist circuit, and Ramayana trail as well as ancient places of Buddhist, Hindu and other religious worship in Sri Lanka for enhancing tourism.
- To explore cooperation between *educational institutions* on both sides through establishment of new higher education and skilling campuses in Sri Lanka.
- To expand cooperation between *research and academic institutes* in areas of mutual interests such as agriculture, IT etc.,
- To establish *land connectivity* for developing land access to the ports of Trincomalee and Colombo, and to consolidate miliennia old relationship between the two countries.

What are the few misses of the visit?

- **Sri Lankan Tamil Issue** - None of the provisions in the document acknowledged the previous commitments by Sri Lanka on honouring the 13th Amendment for devolution of powers to the North and Eastern provinces.
- **Indian Tamil Fisherman Issue** - There is no plan either to resolve the long-pending issues over arrest of Indian fishers.
- Any vision for the future that does not include an amicable resolution of these issues will be considered incomplete.

What lies ahead for both countries?

- **Neighbourhood First policy** - India will be uplifted as South Asia's regional attractiveness, so that it will help to keep Sri Lanka away from China.
- **Consolidate aid programme -** India need to consolidate its fragmented aid programme with the potential single development bank like Japan Bank for International Cooperation.
- **Foster supply chains -** As India becomes a destination for manufacturing and services, it can foster supply chains in South Asia.
- Significant Indian private companies' investment can be made in renewable energy, infrastructure and tourism.
- **Digitalisation -** India's UPI is being rapidly adopted worldwide but it has not been exposed to its own South Asian neighbourhood.
- Sri Lanka should take steps to make use of India's digital public infrastructure.
- **Engagement with the Central bank -** Frequent meetings and an early warning system for economic crises are key to regional stability.
- Example- ASEAN's approach in the Asian Financial Crisis of 1997.
- **Security -** China's cumulative investments and military presence in Hambantota Port is a strategic threat to both countries, they should work with Indian Ocean countries to keep the threat of China at bay.

References

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3. Ministry of External Affairs | Promoting connectivity

