



India - Sri Lanka Relations

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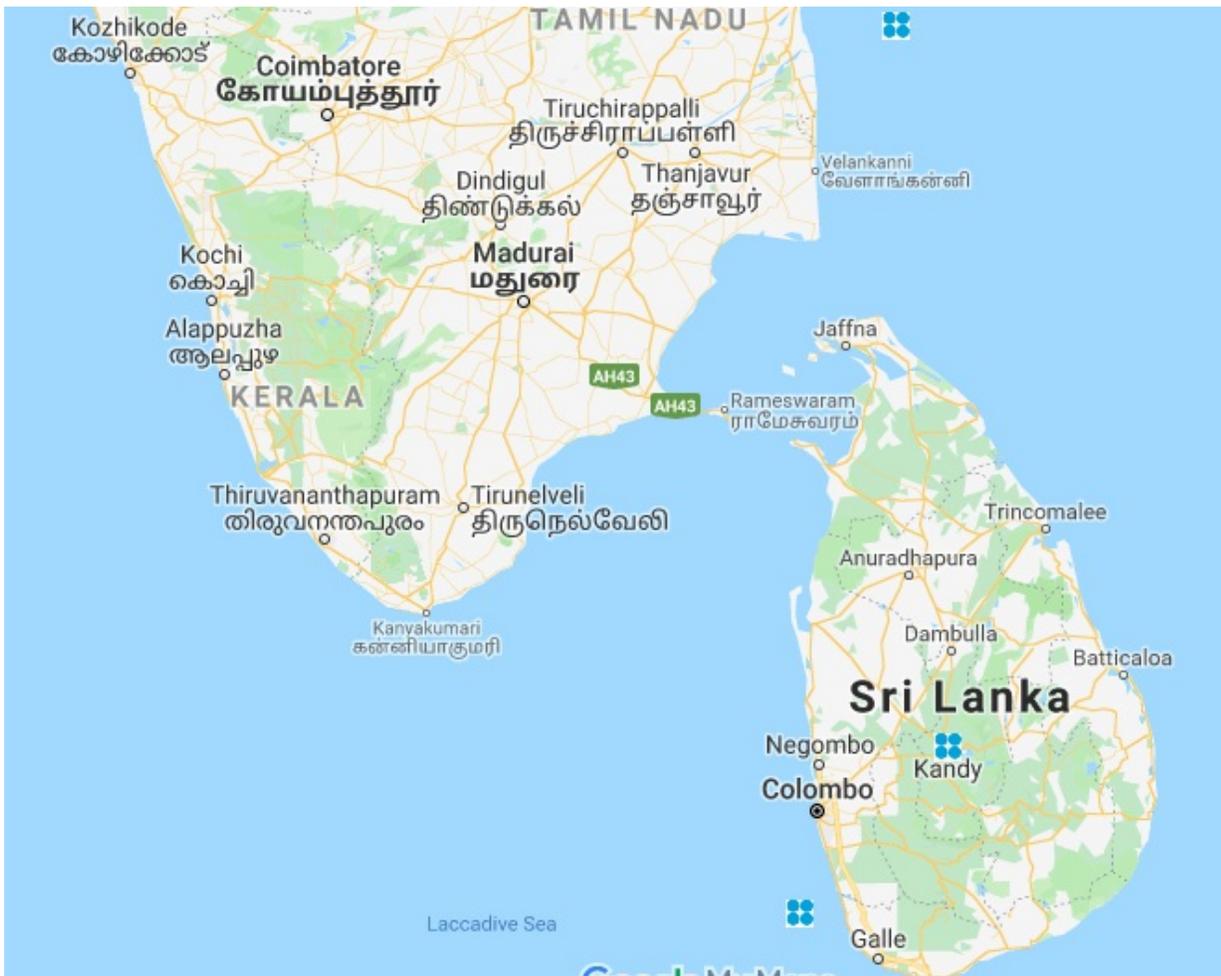
Background

- The relationship between India and Sri Lanka is more than 2,500 years old.
- Both countries have a legacy of **intellectual, cultural, religious and linguistic interaction**.
- In recent years, the relationship has been marked by close contacts at all levels. **Trade and investment have grown** and there is cooperation in the fields of infrastructure development, education, culture and defence.
- In recent years, significant progress in implementation of **developmental assistance projects** has further cemented the bonds of friendship between the two countries.
- The nearly three-decade long armed conflict between the Sri Lankan forces and the LTTE came to an end in May 2009. During the course of the conflict, India supported the right of the Sri Lankan Government to act against terrorist forces.
- India's consistent position has been in favour of a negotiated political settlement, which is acceptable to all communities within the framework of a united Sri Lanka and is consistent with democracy, pluralism and respect for human rights.

Geopolitical Significance of Sri Lanka

- Sri Lanka's location in the Indian Ocean region as an island State has been of **strategic geopolitical relevance to several major powers**.
- Some examples that highlight Western interests in Sri Lanka's strategic location are the British Defence and External Affairs Agreement of 1948, and the Maritime Agreement with USSR of 1962.
- Even during the J.R Jayewardene (1978-1989) and Ranasinghe Premadasa (1989-1993) tenures, Sri Lanka was chosen to build the Voice of America transmitting station (suspected of being used for intelligence gathering purposes and electronic surveillance of the Indian Ocean).
- It was the massive Chinese involvement during the Rajapaksa tenure that garnered the deepest controversy in recent years.

- China is building state of the art gigantic modern ports all along the Indian Ocean to the south of it, in Gwadar (Pakistan), Chittagong (Bangladesh, Kyauk Phru (Myanmar) and Hambantota (Sri Lanka).
- China's string of pearl's strategy is aimed at encircling India to establish dominance in the Indian Ocean.
- Post 2015, **Sri Lanka still relies heavily on China** for Port city project and for continuation of Chinese funded infrastructure projects in Sri Lanka.
- Although the Hambantota harbour is reportedly making losses, it too has potential for development due to its strategic location.
- Sri Lanka has a list of highly strategic ports located among busiest sea lanes of communication.
- Sri Lanka's Colombo Port is the 25th busiest container port in the world and the natural deep water harbor at Trincomalee is the fifth largest natural harbour in the world.
- Port city of Trincomalee was the main base for Eastern Fleet and British Royal Navy during the Second World War.
- Sri Lanka's location can thus serve both commercial and industrial purposes and be used as a military base.



Political Relations

- As a country that emerged from a civil war facing human rights allegations; the domestic politics and international relations of Sri Lanka are heavily geopolitical with foreign powers having vested interests.
- Political relations between India and Sri Lanka have been marked by high-level exchanges of visits at regular intervals.
- In February 2015, Sri Lanka's newly elected President Maithripala Sirisena undertook his first official visit to India, and Modi paid a return visit to Colombo in March 2015. He was the first Indian prime minister to do a stand-alone visit to Sri Lanka in 28 years.
- In June 2019, the first overseas visit of Indian Prime Minister to Sri Lanka, in his second term, is an important symbolic gesture reflective of the special relationship between the countries.
- **Sri Lanka is a member of regional groupings like BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) and SAARC in which India plays a leading role.**
- Recently, India has invited leaders of BIMSTEC member countries to attend the swearing-in of Prime Minister Narendra Modi and his council of ministers. This is in line with the government's focus on its 'Neighbourhood First' policy.
- Sri Lanka has long been in India's geopolitical orbit, but its relationship with China has strengthened in recent years.
- Former President Rajapaksa took Sri Lanka closer to China and sidelining Indian concerns including over the rehabilitation of Tamils displaced by the long-running Sri Lankan civil war.

History of Civil War

- Sri Lanka has been mired in ethnic conflict since the country, formerly known as Ceylon, became independent from British rule in 1948.
- A 2001 government census says Sri Lanka's main ethnic populations are the Sinhalese (82%), Tamil (9.4%), and Sri Lanka Moor (7.9%).
- In the years following independence, the Sinhalese, who resented British favoritism toward Tamils during the colonial period, disenfranchised Tamil migrant plantation workers from India and made Sinhala the official language.
- In 1972, the Sinhalese changed the country's name from Ceylon to Sri Lanka and made Buddhism the nation's primary religion.
- As ethnic tension grew, in 1976, the LTTE was formed under the leadership of Velupillai Prabhakaran, and it began to campaign for a Tamil homeland in northern and eastern Sri Lanka, where most of the island's Tamils reside.
- In 1983, the LTTE ambushed an army convoy, killing thirteen soldiers and triggering riots in which 2,500 Tamils died.

- As Ethnic ties have bound southern India and Sri Lanka for more than two millennia. India is a home to more than 60 million of the world's 77 million Tamils, while about 4 million live in Sri Lanka.
- The Palk Strait, about 40 km (25 miles) wide at its narrowest point, separates the southern Indian state of Tamil Nadu and northern Sri Lanka, traditionally the main Tamil area of the Indian Ocean island.
 - When war between Sri Lankan Tamils and the Sinhalese majority erupted in 1983, India took an active role.
 - Indo-Sri Lankan Accord was signed in 1987 to provide a political solution to Sri Lanka's conflict.
 - It proposed the establishment of provincial council system and devolution of power for nine provinces in Sri Lanka (also known as **The Thirteenth Amendment**).
 - India deployed Indian Peace Keeping Force (IPKF) in Sri Lanka under **Operation Pawan** to disarm the different militant group.
 - IPKF was later withdrawn after three years amidst escalating violence.
 - The violent conflict was ended in 2009 and at that point of India has agreed to reconstruct the war-torn areas and started many rehabilitation programs.
 - India voted against Sri Lanka in 2009, 2012 and 2013 at the US-sponsored UNHRC resolution to investigate alleged human rights violations in Sri Lanka.

Commercial Relations

- Sri Lanka has long been a priority destination for direct investment from India.
- Sri Lanka is one of India's largest trading partners among the SAARC countries. **India in turn is Sri Lanka's largest trade partner globally.**
- India's exports to Sri Lanka amounted to \$5.3 billion in 2015-17 whereas its imports from the country were at \$743 million.
- Trade between the two countries grew particularly rapidly after the India-Sri Lanka Free Trade Agreement which came into force in March 2000.
- While Sri Lankan exports to India have increased substantially during the past several years since 2000 when ISFTA came into force.
- However, there has been a high growth in India's exports to Sri Lanka, resulting in a widening of the balance of trade. This is largely because of the lack of export capacity from Sri Lanka to service Indian requirement and also due to increase in imports from India because of competitiveness of our exports.

India-Sri Lanka Free Trade Agreement (ISFTA)

- The main framework for bilateral trade has been provided by the India-Sri Lanka Free Trade Agreement (ISFTA) that was signed in 1998 and entered into force in March 2000.

- The basic premise in signing the ISFTA was asymmetries between the two economies, local socio-economic sensitivities, safeguard measures to protect domestic interests, and revenue implications so as not to impact high revenue generating tariff lines in the short term.
- In a nutshell, India sought to do more without insisting on strict reciprocity from Sri Lanka.
- This is reflected in the respective obligations of the two countries under the ISFTA where India agreed to open more tariff lines upfront and within a shorter time span of three years as against smaller and more staggered openings by Sri Lanka which was provided a longer time of eight years.
- In order to receive ISFTA benefits, the merchandise exported between India and Sri Lanka should comply with the Rules of Origin criteria.
- The agreement **CEPA (Comprehensive Economic Partnership Agreement) which is yet to be signed between the countries**, seeks to build on the momentum generated by the FTA and take the two economies beyond trade in goods towards greater integration and impart renewed impetus and synergy to bilateral economic interaction.
- The investments are in diverse areas including petroleum retail, IT, financial services, real estate, telecommunication, hospitality & tourism, banking and food processing (tea & fruit juices), metal industries, tires, cement, glass manufacturing, and infrastructure development (railway, power, water supply).
- The last few years have also witnessed an increasing trend of Sri Lankan investments into India.
- Tourism also forms an important link between India and Sri Lanka and India is the largest source market for Sri Lankan tourism. In tourism, India is the largest contributor with every fifth tourist being from India.

Cultural and Educational Relations

- The **Cultural Cooperation Agreement** signed by the two Governments on 29 November, 1977, forms the basis for periodic Cultural Exchange Programmes between the two countries.
- The **Indian Cultural Centre in Colombo** actively promotes awareness of Indian culture by offering classes in Indian music, dance, Hindi and Yoga. Every year, cultural troupes from both countries exchange visits.
- **India and Sri Lanka commemorated the 2600th year of the attainment of enlightenment by Lord Buddha (Sambuddhathva Jayanthi) through joint activities.**
- The two Governments also celebrated the 150th Anniversary of Anagarika Dharmapala in 2014.

- The **India-Sri Lanka Foundation**, set up in December 1998 as an intergovernmental initiative, also aims towards enhancement of scientific, technical, educational and cultural cooperation through civil society exchanges and enhancing contact between the younger generations of the two countries.
- Education is an important area of cooperation. India now offers about 290 scholarship slots annually to Sri Lankan students.
- In addition, under the **Indian Technical and Economic Cooperation Scheme and the Colombo Plan**, India offers 370 slots annually to Sri Lankan nationals.
- Government of India formally launched the **e-Tourist Visa (eTV) scheme** for Sri Lankan tourists on 14 April 2015 to increase the people to people contact. Subsequently, in a goodwill gesture, the visa fee for eTV was sharply reduced.

Indian Community

- The People of Indian Origin (PIOs) comprise Sindhis, Borahs, Gujaratis, Memons, Parsis, Malayalis and Telugu speaking persons who have settled down in Sri Lanka (most of them after partition) and are engaged in various business ventures.
- Though their numbers are much lesser as compared to Indian Origin Tamils (IOTs), they are economically prosperous and are well placed.
- Each of these communities has their organization which organizes festivals and cultural events.
- The IOTs are mostly employed in either tea or rubber plantations in Central, Uva and Sabaragamuwa Provinces though during the last decade, the younger generation has been migrating to Colombo in search of employment.
- A fair number of IOTs living in Colombo are engaged in business. According to Government census figures (2011), the population of IOTs is about 1.6 million.

Defence and Security Cooperation

- Sri Lanka and New Delhi have long history of security cooperation. In recent years, the two sides have steadily increased their military-to-military relationship.
- India and Sri Lanka conducts joint Military ('Mitra Shakti') and Naval exercise (SLINEX).
- India also provides defence training to Sri Lankan forces.
- A trilateral maritime security cooperation agreement was signed by India, Sri Lanka and the Maldives to improve surveillance, anti-piracy operations and reducing maritime pollution in Indian Ocean Region.
- In April 2019, India and Sri Lanka also concluded agreement on countering Drug and Human trafficking.

- In the aftermath of the horrific Easter bombings, Sri Lankan Prime Minister thanked the Indian government for all the “help” given.

The alerts issued by Indian agencies before the attacks had warned specifically about the use of radicalised suicide bombers attacking churches and the Indian High Commission in Colombo.

Issues and Conflicts

- In recent years, China has extended billions of dollars of loans to the Sri Lankan government for new infrastructure projects, which is not good for India’s strategic depth in Indian Ocean Region.
- Sri Lanka also handed over the strategic port of Hambantota, which is expected to play a key role in China’s Belt and Road Initiative, to China on a 99-year lease.
- The opposition parties and trade unions in Sri Lanka have already dubbed the port deal as a sellout of their country’s national assets to China.
- China has also supplied arms as well as provide huge loans to Sri Lanka for its development.
- China also invested sufficiently in the infrastructure of Sri Lanka, which included building of Colombo international container terminal by China Harbor Corporation. However, the relation between Sri Lanka and India are improving. In order to allay Indian concerns that the Hambantota port will not be used for military purposes, the Sri Lankan government has sought to limit China’s role to running commercial operations at the port while it retains oversight of security operations.
- The two countries have signed civil nuclear cooperation agreement which is Sri Lanka’s first nuclear partnership with any country.
- India is also investing into Sri Lanka’s infrastructure development in the Northern and Eastern provinces.
- India is also planning to build Trincomalee Port to counterweight the Chinese developments at Hambantota Port.

Fishermen issue

- Given the proximity of the territorial waters of both countries, especially in the Palk Straits and the Gulf of Mannar, incidents of straying of fishermen are common.
- Indian boats have been fishing in the troubled waters for centuries and had a free run of the Bay of Bengal, Palk Bay and the Gulf of Mannar until 1974 and 1976 when treaties were signed between the two countries to demarcate International Maritime Boundary Line (IMBL).
- However, the treaties failed to factor in the hardship of thousands of traditional fishermen who were forced to restrict themselves to a meagre area in their fishing forays.

- The small islet of Katchatheevu, hitherto used by them for sorting their catch and drying their nets, fell on the other side of the IMBL.
- Fishermen often risk their lives and cross the IMBL rather than return empty-handed, but the Sri Lankan Navy is on alert, and have either arrested or destroyed fishing nets and vessels of those who have crossed the line.
- Both countries have agreed on certain practical arrangements to deal with the issue of bona fide fishermen of either side crossing the International Maritime Boundary Line.
- Through these arrangements, it has been possible to deal with the issue of detention of fishermen in a humane manner.
- India and Sri Lanka have agreed to set up a Joint Working Group (JWG) on Fisheries between the Ministry of Agriculture and Farmers Welfare of India and Ministry of Fisheries and Aquatic Resources Development of Sri Lanka as the mechanism to help find a permanent solution to the fishermen issue.

Way Forward

- As both countries have a democratic setup there is scope for broadening and deepening the ties.
- Both countries should try to work out a permanent solution to the issue of fishermen through bilateral engagements.
- Comprehensive Economic Partnership Agreement (CEPA) must be signed to improve the economic cooperation between both countries .
- India needs to focus more on its traditional and cultural ties to improve relations with Sri Lanka.
- Starting of ferry services between India and Sri Lanka can improve people to people linkages.
- Mutual recognition of each other's concerns and interests can improve the relationship between both countries.