



## India-Sri Lanka Relations

**For Prelims:** [Maritime Rescue Coordination Centre \(MRCC\)](#), [India Sri Lanka Relations](#), [Unified Payments Interface \(UPI\)](#), [Buddhism](#), [Renewable energy](#), [Indian Ocean](#).

**For Mains:** [India Sri Lanka Relations](#), Bilateral, regional, and global groupings and agreements involving India and/or affecting India's interests.

[Source: TH](#)

### Why in News?

Recently, the Indian External Affairs Minister met with the Sri Lankan President to discuss **bilateral cooperation** in various sectors, including power, energy, connectivity, port infrastructure, aviation, etc.

### What are the Recent Developments in India-Sri Lanka Relations?

- [Maritime Rescue Coordination Centre \(MRCC\)](#): They jointly commissioned MRCC built with a USD 6 million grant from India.
  - This includes a centre at **Navy Headquarters in Colombo**, a sub-centre in Hambantota and unmanned installations at Galle.
  - The launch of MRCC is part of the broader initiative under the [Colombo Security Conclave](#), which includes India, Sri Lanka, Maldives, and Mauritius, with Bangladesh and the Seychelles **as observers**.
- **Model Village Housing Project**: Both leaders virtually handed over houses constructed under the **Model Village Housing Project** and **Indian Housing Project**, with funding from India.
- **Energy Sector Initiatives**: A plan for an LNG supply, a **proposed petroleum pipeline** linking the two countries, and advancing oil and gas exploration projects were also discussed.
  - The construction of the [Sampur Solar Power Plant](#) was also announced.
- **Other Developments**: Discussions were also held on projects aimed at developing **Trincomalee and expanding the Kankesanthurai port**, and bolstering Sri Lanka's **liquid milk industry** and fertilizer production.

### How have Relations Between India and Sri Lanka Been?

- **Historical Ties**: India and Sri Lanka share **deep historical connections** through culture, religion, and trade, with many Sri Lankans having Indian roots and [Buddhism](#) playing a significant role in both countries.
- **Economic Ties**:
  - **Financial Assistance from India**: India gave about USD 4 billion in aid to help Sri Lanka through its worst [financial crisis](#) since independence in 1948, caused by a severe lack of [foreign exchange reserves](#) in 2022.
    - India was the first to offer support to Sri Lanka for its debt restructuring, working with the [International Monetary Fund \(IMF\)](#) and creditors.

- [Economic and Technology Cooperation Agreement \(ETCA\)](#): Both countries are exploring the possibility of an ETCA to integrate their economies and foster development.
- **Adoption of India's UPI**: Sri Lanka has [adopted India's UPI service](#), which is a significant step towards enhancing fintech connectivity between the two countries.
- The [use of the rupee for trade settlement](#) is further helping Sri Lanka's economy.
- **Trade**: India is Sri Lanka's third largest export destination, after the US and UK. More than 60% of Sri Lanka's exports enjoy the benefits of the [India-Sri Lanka Free Trade Agreement](#). India is also a major investor in Sri Lanka.
- **Participation in Groupings**: Sri Lanka is also a member of groupings like [BIMSTEC \(Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation\)](#) and [SAARC](#) in which India plays a leading role.
- **Tourism**: In 2022, India was the **largest source of tourists** for Sri Lanka with over 100,000 tourists.

## What is the Significance of India and Sri Lanka Relations?

- **Focus on Regional Development**: India's progress is intricately linked with its neighbouring nations, and Sri Lanka aims to enhance its own growth by integrating with the Southern economy, in South Asia.
  - The external Affairs Minister also reaffirmed India's commitment to its '[Neighbourhood First](#)' Policy, emphasising the importance of Sri Lanka as India's closest maritime neighbour.
- **Strategic Location**: Sri Lanka, positioned near India's southern coast across the [Palk Strait](#), holds a crucial role in the relationship between the two nations as it is at the **crossroads of major shipping lanes making it a critical point of control for India**.
- **Ease of Doing Business & Tourism**: The enhancement of **digital payment systems across the two nations** will promote economic integration and simplify business transactions between India and Sri Lanka.
  - This advancement will not only **streamline trade** but also **improve connectivity** for tourism exchanges between the two nations.

## Ban on LTTE

- The Indian government has banned the [Liberation Tigers of Tamil Eelam \(LTTE\)](#) under the [Unlawful Activities \(Prevention\) Act 1967](#).
  - The Tamil Nadu Government has also banned it in May 2024 stating that despite their 2009 defeat, the group still **pursued their goal of 'Eelam'**.
- **LTTE** was formed in 1976 as the self-styled "national freedom movement of the people of **Tamil Eelam**" and began a **guerilla war** on the government and administration.
  - It undertook numerous terrorist activities in Sri Lanka especially against the Sinhalese and **executed the assassination of Rajiv Gandhi** (the ex Prime Minister of India).
  - After a long strife, and millions of casualties, the civil war with LTTE ended in 2009.

## What are the Challenges in India-Sri Lanka Relations?

- **Tamil Ethnic Issue**: India has historically been concerned about the welfare and rights of the Tamil community in Sri Lanka particularly the implementation of the **13<sup>th</sup> Amendment in its true spirit**.
  - The [13th Amendment](#), which led to the creation of Provincial Councils, assured a power-sharing arrangement to enable all nine provinces in the country, including Sinhala majority areas, **to self-govern**.
- **China's Influence**: India has concerns about China's investment in Sri Lanka like [Hambantota Port](#) due to its proximity.
- **Fisheries Dispute**: Issues of illegal fishing and arrest of fishermen by both countries on maritime

boundaries often led to diplomatic tussles.

- **Katchatheevu Island Dispute:** The issue revolves around the **ownership and usage rights** of the uninhabited island of Katchatheevu, located in the Palk Strait between India and Sri Lanka, imposing restrictions on fishing activities without explicit permission.
- **Border Security and Smuggling:** The **porous maritime boundary** between India and Sri Lanka has led to issues of border security and the **smuggling** of goods, including **narcotics** and **illegal immigrants**.

## Way Forward

- **Truth and Reconciliation Commission:** India could support the establishment of a truth and reconciliation commission in Sri Lanka **to address the legacy of the civil war** and promote healing for the Tamil community.
- **Joint Maritime Patrols and Training:** India and Sri Lanka can **enhance cooperation on maritime security** by conducting joint patrols in the Indian Ocean region and providing training programs for Sri Lankan coast guard personnel.
- **People-to-People Ties:** Promote **cultural exchange programs**, and tourism to foster closer ties between the citizens of both countries.
- **Joint Infrastructure Projects:** India can invest in infrastructure projects in Sri Lanka while ensuring that the project progresses smoothly from the **planning phase to execution**.
- **Economic and Trade Cooperation Agreement (ETCA) Implementation:** Both countries can work towards a **swift and smooth implementation** of the ETCA to reduce trade barriers, and boost bilateral trade.
- **Student Exchange Programs and Skill Development Initiatives:** Establish scholarship programs for Sri Lankan students and **collaborate on skill development initiatives**.

### **Drishti Mains Question:**

Q. Discuss the major challenges in India-Sri Lanka relations. How can both countries work together to overcome these challenges?

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

### **Prelims**

**Q1. Elephant Pass, sometimes seen in the news, is mentioned in the context of the affairs of which one of the following? (2009)**

- (a) Bangladesh
- (b) India
- (c) Nepal
- (d) Sri Lanka

**Ans: (d)**

### **Mains**

**Q. 'India is an age-old friend of Sri Lanka.' Discuss India's role in the recent crisis in Sri Lanka in the light of the preceding statement. (2022)**

**Q. In respect of India-Sri Lanka relations, discuss how domestic factors influence foreign policy. (2013)**

