

# US and Chinese officials visit Sri Lanka, highlighting growing regional tensions

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Early this month US Assistant Secretary of State Nisha Desai Biswal and Chinese Foreign Minister Wang Li both visited Sri Lanka, highlighting the mounting geo-political rivalry between the US and China in the Asia-Pacific region.

Wang began his three-day trip on July 8, meeting with President Maithripala Sirisena, Prime Minister Ranil Wickremesinghe and Foreign Minister Mangala Samaraweera. The visit is part of ongoing moves by Beijing to counter Washington's increasing efforts in the region to line up countries as part of its "pivot" to Asia to encircle China diplomatically, militarily and, if necessary, to launch a war to subordinate that country to US dictates.

Wang's trip occurred just before the Permanent Court of Arbitration decision on the US-initiated Philippines legal challenge to Chinese maritime claims in the South China Sea.

China has attempted to strengthen its relations with Sri Lanka since the US-inspired, Indian-backed regime-change that ousted former President Mahinda Rajapakse and elevated Sirisena and Wickremesinghe into power.

While Washington fully supported Rajapakse's anti-democratic rule and the war against the separatist Liberation of Tigers of Tamil Eelam, it was determined to scuttle his close relations with Beijing and bring Sri Lanka into line with its aggressive policy against China.

Straight after coming to office, Sirisena and Wickremesinghe shifted the country's foreign policy in favour of the US and India and postponed a number of Chinese-funded projects. These included the \$US1.4 billion Colombo Port City Project (CPCP), a major component in Beijing's "Maritime Silk Road" scheme to link Chinese trade routes to southern and western

Asia.

India and the US raised various security objections to these projects. In March 2015, the *Financial Times* noted that Indian government officials, in particular, "expressed concerns about the port city project in Sri Lanka's capital."

During his talks with Samaraweera, Wang Li asked about Sri Lanka's position on the South China Sea dispute. The Colombo-based *Sunday Times* reported that Samaraweera said the government "understood" China's position but hoped the dispute would be solved through "dialogue" between the parties involved.

At a joint press conference with Wang, Samaraweera said the issue should be resolved through "constructive dialogue, consultation and cooperation, in accordance with international laws and practices."

The cash-strapped Sri Lankan government, which is trying to reduce its foreign debt burden, is seeking to boost Chinese investment and has allowed China to now start the CPCP. The project, however, will be governed by new laws reducing the Chinese construction company's outright ownership of part of the reclaimed land. The legislation will be submitted to parliament in October.

Similar agreements are being prepared for an airport being built in Hambantota with Chinese funds, and a nearby harbour.

According to recent figures, the majority of foreign investment in Sri Lanka for the first quarter this year came from China, amounting to \$US855 million. Other Chinese investment projects under consideration include a petroleum refinery and a liquefied natural gas power plant. Military procurement deals have also been signed with China.

On July 12, US Assistant Secretary of State Nisha

Desai Biswal arrived in the country, just after Wang's visit. During her three-day trip she met with Wickremesinghe, Samaraweera and other parliamentarians and senior government officials.

Addressing a meeting of the America-Sri Lanka Business Chamber, she declared: "For those of us who work in foreign policy, Sri Lanka has truly been a bright spot in the region and the world over the last year and a half." It was her fourth visit to Sri Lanka since Sirisena came to power.

Biswal falsely claimed that Sri Lanka had achieved "democratic progress," including "advances in [ethnic] reconciliation, accountable governance, and freedom of expression" along with economic progress.

Having orchestrated the regime-change operation that brought Sirisena into the presidency, the US is assisting Colombo to whitewash its war crimes, maintain the military occupation of the north and east, and divert attention from the police-state methods used to suppress the struggles of workers, students and rural poor.

Referring to its geo-strategic location astride major Indian Ocean sea lanes, Biswal declared: "Sri Lanka has the potential to become a premier transshipment hub, making it a strong, value-added link in global supply chains."

Significantly, Biswal visited Colombo's current port facilities, which are located near where the CPCP is being constructed. She said the US was keen to be involved in the port, which had "enormous capacity" as South Asia's busiest port and one of the top 30 globally.

Last week, Wickremesinghe participated in investment meetings in Singapore. Speaking with *Bloomberg* he said Sri Lanka had "No China phobia" and welcomed Chinese investment. "Basically, any agreement with China will be to accommodate everyone in investments, any agreements with India will accommodate everyone ... We need the investment, we need the growth, we need the economic transformation," he said.

Referring to the projects in Hambantota and the "ironing out" of the CPCP, Wickremesinghe said: "The goal, is to make Sri Lanka 'the hub' of the Indian Ocean for a revived Maritime Silk Road trading route to Europe."

Commenting on the South China Sea dispute, he said

the Association of Southeast Asian Nations and China should "implement a code of conduct"—a proposal first mooted by the Obama administration in 2010 as a means of undercutting China's claims.

Wickremesinghe, who is notorious for his pro-US line, is attempting to appease Beijing in order to secure desperately-needed financial assistance. While his government has secured a \$1.5 billion loan from the International Monetary Fund (IMF) to avert a balance of payment crisis, the economy stands on the edge of a precipice.

This week, Colombo requested a \$1 billion loan from the China-led Asian Infrastructure Investment Bank and last week sold \$1.5 billion in sovereign bonds on the international markets.

While India, the US's principal partner in South Asia, has not commented on Sri Lanka's recent moves to strengthen its economic ties with China, the *Asia Times* reported on Monday that senior Indian officials have voiced concerns about the frequency of official Chinese visits to Colombo and Sri Lankan leaders' trips to China.

M.K. Bhadrakumar, a former top Indian diplomat, said the regime change in Sri Lanka "has really brought us [India] no dividends." He pointed to Wickremesinghe's encouragement of Chinese investment and said the government had not made any decisions advantageous to India or the US.

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