



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 **13th 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)

PDF Refernece URL: <https://www.drishtias.com/printpdf/india-sri-lanka-relations-5>

