



Sri Lankan President's India Visit

For Prelims: [India's Neighbourhood First policy](#), [SAGAR Vision](#), [SAARC](#), [Indian Development and Economic Assistance Scheme \(IDEAS\)](#), [Mitra Shakti](#), [SLINEX](#), [Maritime Rescue Coordination Centre](#), [Illegal Fishing](#), [Indian Ocean](#), [Katchatheevu Island](#), [Afanasy Nikitin Seamount](#), [BIMSTEC](#)

For Mains: Significance of India-Sri Lanka Relations for India's Strategic Interests and India's Neighbourhood First Policy.

[Source: TH](#)

Why in News?

Recently, the new **Sri Lankan President** was on his first visit to India focusing on enhancing **trade, energy, and maritime cooperation**.

- Discussions with Indian leaders emphasized **Tamil aspirations, economic recovery**, and countering **Chinese influence**, reinforcing [India's Neighbourhood First policy](#) and [SAGAR Vision](#).

What are the Outcomes of the Recent Visit?

- **Economic and Trade Agreements:** Proposed **Economic and Technology Cooperation Agreements (ETCAs)** aim to integrate services and technology into trade relations was also discussed during the President's visit to India.
 - India has agreed to **promote Indian Rupee (INR)-Sri Lankan Rupee (LKR) trade settlements** and undertake capacity-building programs, including the **training of 1,500 Sri Lankan civil servants**.
- **Energy Partnership:** India agreed to supply **LNG to Sri Lanka** to address immediate energy needs, while both nations announced an **energy pipeline with the UAE** to enhance regional energy security.
 - **Renewable energy projects** like offshore wind power and grid interconnection were prioritized, alongside developing **Trincomalee** as an energy hub.
- **Infrastructure and Connectivity:** Resumption of **ferry services** and continued development of **Kankesanthurai port, housing**, and **digital infrastructure** under India's "**Neighborhood First**" policy.
- **Regional Security Cooperation:** Both countries committed to deepening **security cooperation**, particularly in maritime security.
- **Financial Support:** India's financial support, including USD 4 billion for food, fuel, and medicines, was crucial in stabilizing Sri Lanka's economy during its crisis.
- **Bilateral Cooperation in Global Forums:** Sri Lanka sought India's support in its bid to join the [BRICS group](#) and in matters related to the [United Nations Commission on the Limits of the Continental Shelf](#).

What are Areas of Cooperation Between India and Sri Lanka?

- **Economic Cooperation:** India is Sri Lanka's largest trade partner in [SAARC](#), with bilateral trade reaching **USD 5.5 billion** in FY 2023-24.
 - India exports essential goods while Sri Lanka benefits from the **India-Sri Lanka Free Trade Agreement**.
- **Development Assistance:** India has extended Development Assistance to Sri Lanka through **Lines of Credit (LOCs)** under the [Indian Development and Economic Assistance Scheme \(IDEAS\)](#).
 - As of 2023, over **USD 2 billion** in **Lines of Credits (LOCs)** have been provided to Sri Lanka, supporting key sectors such as **railways, hospitals, infrastructure, and power transmission**.
 - India's **LOCs**, including projects like the [Jaffna Cultural Center](#) and [Suwa Seriya ambulance services](#), strengthen Sri Lanka's **socio-economic framework** and improve infrastructure and livelihoods.
- **Energy Collaboration:** Renewable energy projects, including **hybrid systems in Jaffna**, reflect India's push for [energy security](#) in the region.
- **Defence and Security:** Defence ties include joint **military exercises (Mitra Shakti)** and **naval drills (SLINEX)**.
 - The installation of a [Maritime Rescue Coordination Centre](#) demonstrates India's commitment to bolstering Sri Lanka's maritime capabilities.
 - Additionally, India has supported **Sri Lanka's counterterrorism** and environmental [disaster management](#) efforts .
- **Cultural and Educational Exchange:** The **historical and cultural** ties between the nations are reinforced through scholarship programs, **restoration of Buddhist temples**, and the sharing of Indian technologies in governance and education .
- **Maritime Cooperation:** Shared concerns over [illegal fishing](#) and **sustainable resource management** in the [Indian Ocean](#) have driven collaborations.
 - **Joint patrols** and **sustainable fishing initiatives** are critical to protecting marine biodiversity and livelihoods .

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SAGAR (Security and Growth for All in the Region) Vision

Launched in 2015 for regional security, sustainable growth, and cooperation in the Indian Ocean Region

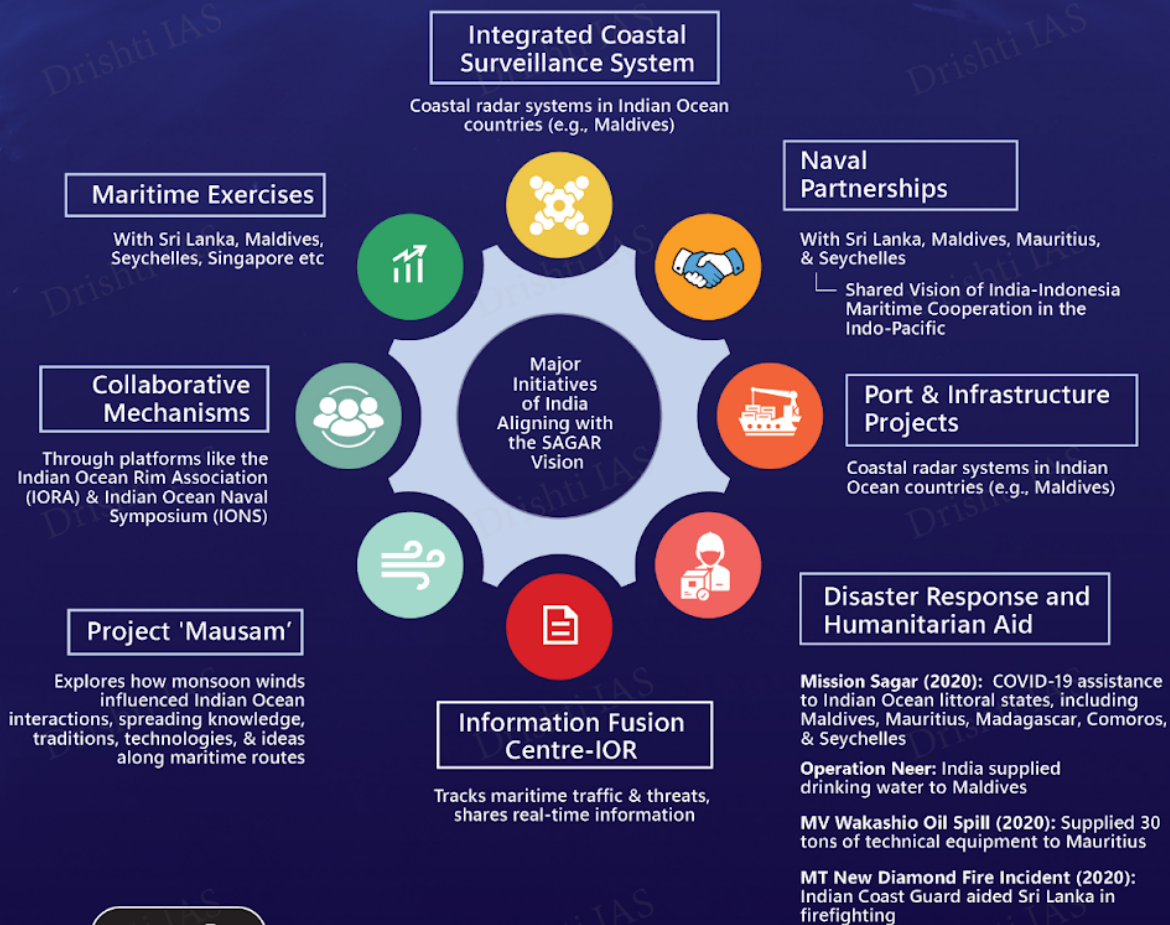
Core Principles

- Trust, respect for maritime norms, regional sensitivity, peaceful dispute resolution, & cooperation
- Aligns with India's Act East Policy & Neighbourhood First policy

Significance of IOR for India

- **Economic Vitality:** 95% of India's trade by volume & 68% of trade by value
- **Strategic Leverage:** Controls key maritime chokepoints (e.g. Strait of Malacca), boosting trade security
- **Defense Shield:** Enhances naval security against piracy & threats
- **Regional Influence:** Strengthens India's role in South Asia and Indo-Pacific

Major Initiatives of India Aligning with the SAGAR Vision



What are Challenges of Cooperation Between India and Sri Lanka?

- **Fishing Disputes:** Indian fishermen's use of [bottom trawling](#) sometimes in **Sri Lankan waters** and in surrounding areas has escalated tensions, causing **arrests, fines**, and friction in both **coastal communities** and **bilateral diplomacy**.
- **Katchatheevu Island Dispute:** The ownership and use of [Katchatheevu Island](#) remain contentious, with disputes over enforcement of agreements allowing Indian fishing and pilgrimage rights, straining bilateral relations.
- **Ethnic and Political Issues:** India's support for the Tamil population in Sri Lanka has been met with resistance from certain political factions.
 - The delay in implementing the [13th Amendment](#) to devolve power to Tamil-majority areas has been a longstanding grievance .
- **Geopolitical Rivalries:** China's increasing influence in Sri Lanka, especially in infrastructure projects like the [Hambantota Port](#), challenges India's strategic interests. India views Chinese-backed projects as threats to its regional security .
- **Maritime Boundary Issues:**The dispute over the [Afanasy Nikitin Seamount](#) highlights overlapping claims in international waters, with both nations using international legal mechanisms, potentially leading to diplomatic friction.





Way Forward

- **Enhancing Dialogue:** Strengthening diplomatic engagements to address core issues like fishing rights, Tamil reconciliation, and maritime disputes is crucial.
 - Regular dialogue through bilateral and regional forums like [BIMSTEC](#) can provide a platform for solutions.
- **Economic Integration:** Expanding **trade agreements** and **infrastructure linkages**, such as **ferry services** and **pipeline projects**, will boost **economic interdependence**.
 - Collaborative initiatives like the proposed **undersea energy cable** can enhance shared benefits.
- **Fisheries Management:** Promoting **sustainable fishing practices** through **joint initiatives**, **capacity-building programs**, and **alternative livelihoods** for fishermen can

resolve conflict and will also protect **marine ecosystems**.

- **Leveraging Development Assistance:** India should continue its role as a key **development partner**, focusing on **renewable energy, education, and digital governance**.
 - **Green debt swaps** can align **economic recovery** with sustainability goals.
- **Balancing Geopolitics:** India must **counterbalance Chinese influence** through strategic **investments** and **diplomatic outreach**.
 - This will ensure that its assistance aligns with Sri Lanka's **long-term interests**.

Drishti Mains Question:

What are the key areas of economic cooperation and the main challenges in maritime cooperation between India and Sri Lanka?

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims:

Q. Consider the following statements: (2020)

1. The value of Indo-Sri Lanka trade has consistently increased in the last decade.
2. "Textile and textile articles" constitute an important item of trade between India and Bangladesh.
3. In the last five years, Nepal has been the largest trading partner of India in South Asia.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 only
- (c) 3 only
- (d) 1, 2 and 3

Ans: (b)

Mains:

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