

India-Sri Lanka Relations

India is Sri Lanka's closest neighbour. The relationship between the two countries is more than 2,500 years old and both sides have built upon a legacy of intellectual, cultural, religious and linguistic interaction. In recent years, the relationship has been marked by close contacts at the highest political level, growing trade and investment, cooperation in the fields of development, education, culture and defence, as well as a broad understanding on major issues of international interest.

Bilateral exchanges at various levels over the past year and significant progress in implementation of developmental assistance projects for the Internally Displaced Persons (IDPs) and disadvantaged sections of the population in Sri Lanka has helped further cement the bonds of friendship between the two countries.

The nearly three-decade long armed conflict between 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 Government of Sri Lanka to act against terrorist forces. At the same time, it conveyed at the highest levels its deep concern at the plight of the mostly Tamil civilian population, emphasizing that their rights and welfare should not get enmeshed in hostilities against the LTTE.

The need for national reconciliation through a political settlement of the ethnic issue has been reiterated by India at the highest levels. India's consistent position is in favour of a negotiated political settlement, which is acceptable to all communities within the framework of a united Sri Lanka and which is consistent with democracy, pluralism and respect for human rights.

Political Relations:

Political relations have been marked by high-level exchanges of visits at regular intervals.

In 2013, Prof. G.L. Peiris, Minister of External Affairs of Sri Lanka visited India for the eighth meeting of the India-Sri Lanka Joint Commission which was held on 22 January 2013. During the visit, the two sides signed two agreements on (i) Combating International Terrorism and Illicit Drug Trafficking and (ii) Revised Double Taxation Avoidance Agreement. Mr. Basil Rajapaksa, Minister for Economic Development also visited India on 4-5 July 2013.

From the Indian side, a delegation representing the India Foundation led by Shri. Ravishankar Prasad, Hon'ble Deputy Leader of Opposition in the Rajyasabha visited Sri Lanka from 04-10 June 2013. Commerce Secretary Shri. S. R. Rao visited Sri Lanka on 24-26 June 2013. The first meeting of the Joint Task Force to discuss the modalities for increasing export capacity of Sri Lanka by attracting Indian investment was also held.

Mr. Shivshankar Menon, National Security Adviser of India, visited Colombo on 8-9 July 2013 to participate in the 2nd NSA-Level Meeting on Trilateral Cooperation on Maritime Security between India, Sri Lanka and the Maldives. During the visit, the three sides agreed on a roadmap for future cooperation in maritime security and signed an Outcome Document.

External Affairs Minister (EAM) of India Shri. Salman Khurshid, visited Sri Lanka on October 7-8, 2013. EAM called on the President of Sri Lanka and held bilateral talks with his counterpart. Agreements related to the Sampur Coal Power Project and the Memorandum of Understanding (MoU) for India's Technical Assistance for Sri Lanka's National Plan for a Trilingual Sri Lanka were signed during the visit. EAM also travelled to Jaffna and met with the Chief Minister of Northern Provincial Council. EAM represented Prime Minister at the 22nd Commonwealth Heads of Government Meeting (CHOGM) held in Sri Lanka on 13-17 November, 2013.

The Chief of Navy Staff, Admiral Devendra Kumar Joshi, visited Sri Lanka on 24-29 November, 2013 to participate in the Galle Dialogue maritime conference.

There were a number of important high-level visits previous year too. President Mahinda Rajapaksa visited India from 19-22 September 2012 and met President Pranab Mukherjee and Prime Minister Dr. Manmohan Singh. He also visited Sanchi to lay the foundation for the University of Buddhist and Indic Studies.

Then External Affairs Minister Shri S.M. Krishna visited Sri Lanka from 16-19 January 2012. During his visit, he called on President Mahinda Rajapaksa and Prime Minister D.M. Jayaratne. The Minister also visited Kilinochchi and Jaffna in northern Sri Lanka and Galle in southern Sri Lanka in connection with Government of India assisted projects.

Former President of India, Dr. A.P.J. Abdul Kalam, visited Sri Lanka from 20-24 January 2012 to launch the 'National Plan for a Trilingual Sri Lanka', at the invitation of the President of Sri Lanka.

Shri Anand Sharma, Minister of Commerce, Industry & Textiles visited Sri Lanka and inaugurated "The India Show - Land of Limitless Opportunities" at Colombo on 3 August 2012. About 108 Indian companies participated in the Show. Shri Jairam Ramesh, Minister of Rural Development and Drinking Water and Sanitation paid an official visit to Sri Lanka from 11-13 July 2012.

National Security Adviser Shivshankar Menon visited Sri Lanka on 29 June 2012 and met President Mahinda Rajapaksa, Minister of Economic Development Basil Rajapaksa and Defence Secretary.

Hon'ble Speaker of Lok Sabha, Smt. Meira Kumar led a 60 member delegation consisting of Members of Parliament, Speakers and Member of State Legislative Assemblies and Councils for the 58th Commonwealth Parliamentary Association

meeting from 11-15 September 2012. A 12-member Indian Parliamentary delegation, headed by the Hon'ble Leader of Opposition in the Lok Sabha, Smt. Sushma Swaraj also visited Sri Lanka from 16-21 April 2012.

Commercial Relations:

India and Sri Lanka enjoy a robust trade and investment relationship. Sri Lanka is India's largest trade partner in South Asia. India in turn is Sri Lanka's largest trade partner globally. Trade between the two countries grew particularly rapidly after the entry into force of the India-Sri Lanka Free Trade Agreement in March 2000. Over the next eight years, bilateral trade multiplied nearly five-fold.

According to Sri Lankan Customs data, the bilateral trade amounted to US\$ 4.01 billion in 2012. In recent months, the two countries have continued discussion to take the economic and commercial engagement to the next level.

Sri Lanka has long been a priority destination for direct investment from India. India is among the four largest overall investors in Sri Lanka with cumulative investments over US\$ 800 million. In 2012, India emerged as the fourth largest overall investor in Sri Lanka with investments of about US\$ 160 million (out of a total of US\$ 1279.15).

Our main investments are in the areas of petroleum retail, hospitals, telecom, vanaspati, copper and other metal industries, real estate, telecommunication, hospitality & tourism, banking and financial services, IT and food processing (tea & fruit juices). Indian business organisations such as IOC, Tatas, Bharti Airtel, Piramal Glass, LIC, Ashok Leyland, L&T, Dabur and Taj Hotels are present in Sri Lanka.

The last few years have also witnessed an increasing trend of Sri Lankan investments into India. Significant examples include Ceylon Biscuits (Munchee brand), Carsons Cumberbatch (Carlsberg), Brandix (about US\$ 1 billion to set up a garment city in Vishakapatnam), MAS holdings, John Keels, Hayleys, and Aitken Spence (Hotels), apart from other investments in the freight servicing and logistics sector.

Bilateral economic and commercial ties continued to remain stable during 2013. For the period January-October 2013, bilateral trade amounted to US \$ 2.96 billion with Sri Lanka's import from India amounting to US \$ 2.51 billion.

Developmental Cooperation:

The conclusion of the armed conflict saw the emergence of a major humanitarian challenge, with nearly 300,000 Tamil civilians housed in camps for Internally Displaced Persons (IDPs). The Government of India put in place a robust programme of assistance to help the IDPs return to normal life as quickly as possible as also consistently advocated the need for them to be resettled to their original habitations as early as possible.

India's immediate humanitarian assistance to IDPs included supply of 250,000 family relief packs, establishment of an emergency medical unit which treated over 50,000 IDPs, supply of over one million roofing sheets, as well as 400,000 bags of cement for constructing temporary housing and provision of 95,000 starter packs of agricultural implements. India also assisted in revival of agricultural and economic activities in areas affected by the conflict.

With the shift from relief and rehabilitation to reconstruction and development, the Government of India turned its attention to the housing requirements of the IDPs. During the visit of President Mahinda Rajapaksa to India in June 2010, an announcement was made by Prime Minister Dr. Manmohan Singh that India would support a programme to reconstruct 50,000 houses in Sri Lanka.

A Pilot Project involving construction of 1,000 houses was launched in November 2010 and was completed in July 2012. An MOU with the Government of Sri Lanka on the modalities of implementation of the remaining 49,000 houses under the Project was signed on 17 January 2012 and second phase of the project (construction and repair of 43,000 Housing Units in Northern and Eastern Provinces) was launched in October 2012. The Housing Project is under full grant assistance of the GOI with a total outlay of INR 1,372 crore (approx. US \$ 270 million or SLR 30.6 billion) making it one of the largest grant assistance projects implemented by the Government outside India.

10184 houses under the owner-driven model were completed in the Northern Province during 2013, out of which 1832 were in Jaffna district, 3090 houses in Kilinochchi district, 3540 in Mullaitivu district, 1074 in Mannar district, and 648 in Vavuniya district. In the Eastern Province, 66 houses were completed in Batticaloa district.

Sri Lanka is one of the major recipients of development credit given by the Government of India. Under a line of credit of \$167.4 million, the tsunami-damaged Colombo-Matara rail link has been repaired and upgraded. Another line of credit of \$800 million for track laying and supply of rolling stock to support construction of Medawachchiya to Madhu, Madhu to Talaimannar, Omanthai to Pallai, Pallai to Kankesanthurai railway lines and setting up of signaling and telecommunications systems in Northern Sri Lanka is already operational. The completion of work undertaken under this line of credit is expected in April 2014.

India is also involved in projects for renovation of Palaly Airport, Kankesanthurai Harbour, construction of a Cultural Centre in Jaffna, interconnection of electricity grids between the two countries, construction of a 150-bed hospital in Dickoya and setting up a coal power plant in Sampur as a joint venture between National Thermal Power Corporation (NTPC) and Ceylon Electricity Board (CEB).

India also continues to assist a large number of smaller development projects in areas like education, health, transport connectivity, small and medium enterprise development and training in many parts of the country through its grant funding.

Cultural Cooperation:

The Cultural Cooperation Agreement signed by the Government of India and the Government of Sri Lanka on 29 November, 1977 at New Delhi forms the basis on which the periodic Cultural Exchange Programmes between the two countries are signed and implemented.

The Programme of Cultural Cooperation (PCC) for 2010-2013 seeks to enhance the level of cooperation in a wide variety of fields such as performing arts, visual arts, libraries, museums, archives & cultural documentation, archaeology, handicrafts, sports and youth affairs, publications and professional exchanges and mass media. 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 also commemorated the 2600th year of the attainment of enlightenment by Lord Buddha (Sambuddhatva Jayanthi) through joint activities. These included the exposition of Sacred Kapilavastu Relics in Sri Lanka took place from 19 August 2012 to 11 September 2012. During the 25 days of exposition at ten venues, approximately three million Sri Lankans (nearly 15 percent of the total population of Sri Lanka) paid homage to the Sacred Relics.

Education is another important area of cooperation between India and Sri Lanka. India now offers about 290 scholarship slots annually to deserving Sri Lankan students which benefits not only regular undergraduate studies but also provides opportunities for higher research. In addition, under the Indian Technical and Economic Cooperation Scheme and the Colombo Plan, India offers nearly 200 slots annually to Sri Lankan nationals for short and medium term training courses in a wide variety of technical and professional disciplines.

Tourism also forms an important link between India and Sri Lanka and India is the largest source market for Sri Lankan tourism. In 2013, India remained as a top source of tourist arrivals to Sri Lanka. Sri Lankan tourists were among the top ten sources for the Indian tourism market. In 2013, 184963 visas were issued by the High Commission in Colombo to facilitate travel between India and Sri Lanka.

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.

Defence Cooperation:

India and Sri Lanka also enjoy a growing defence relationship built on extensive training and Service-to-Service linkages. The commonality of concerns of both countries, including with respect to the safety and security of their sea lanes of communication, informs their bilateral exchanges in this field.

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. Both countries have agreed on certain practical arrangements to deal with the issue of *bona fide* fishermen of either side crossing the IMBL. Through these arrangements, it has been possible to deal with the issue of detention of fishermen in a humane manner.

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 (10,000 approximately) 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. According to unofficial statistics, it is estimated that around 2000 Indian expatriates are living in Sri Lanka.

The IOTs are mostly employed in either tea or rubber plantations in Central, Uva and Sabragamuwa 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 842,000.

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High Commission of India, Colombo website:

<http://www.hcicolombo.org/>

High Commission of India, Colombo Facebook page:

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'India Global':

'India Global' is a programme on All India Radio FM Gold focussing on India's relations with other countries

For 'India Global' program featuring India and Sri Lanka Relations, please visit:

<https://www.youtube.com/watch?v=-dLkbYRJBwk>

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