The BRI and Sri Lanka’s Future through the President’s Lens

China’s third Belt and Road Forum for International Cooperation got underway in October 2023 after a three-year lull which saw leaders of the developed and developing world congregating in Beijing. This year’s forum was significant. It marked ten years of the initiative. The delegations held meaningful high-level discussions on the sidelines of the much-anticipated dialogue amid two significant conflicts in Europe and the Middle East, where the thrust was for sustainable development and multilateralism based on cooperation. Sri Lanka, like many in the Global South, is on board the BRI. President Ranil Wickremesinghe attended the forum in Beijing. He also met Chinese President Xi Jinping at the Great Hall of the People. On the sidelines of the BRI, the Sri Lankan President also spoke with Chinese media, in Colombo first, with the host of Leaders Talk, Li Tongtong of China Global Television Network. In a departure, the host spoke in Mandarin while the President responded in Sinhala, and in Beijing, Wickremesinghe sat with CGTN Host Tian Wei. In both instances, the Sri Lankan leader expressed his optimism about the initiative’s potential and prospects for development, his development agenda for Sri Lanka amid the debt and economic crises, and the criticality of pursuing trade and a sustainable development agenda.



President Ranil Wickremesinghe in an interview with Li Tongtong, China Media Group (CMG) host.

The presence of President Ranil Wickremesinghe at the Belt and Road Forum for International Cooperation was significant for many reasons. China is Sri Lanka's biggest lender under the BRI; the island owes more than 52 percent of its external debt to China. As a precursor to the Belt and Road Forum and during the forum, Wickremesinghe faced Chinese media in Colombo and Beijing, where Sri Lanka's top diplomat played his cards right, praising the win-win outcomes that the countries have reaped over years of cooperation and opined the potential of Belt and Road cooperation.

The BRI held its first two summits in 2017 and 2019, but the President noted that the 2023 forum was different as the impact of the COVID-19 pandemic has changed the environment in which countries were meeting in Beijing. He said that the challenges and issues facing the world after the pandemic are new, and all the countries felt the impact on their economies. But their effects varied, with low and middle-income countries facing new challenges of debt and climate-related issues amid the intensification of old challenges. During his media meetups, Wickremesinghe pointed out that Sri Lanka has been the victim of an enormous debt burden, compounded by its inability to meet debt obligations, which many other countries are dealing with right now, with multilateral donor agencies increasing their engagement to arrive at a favorable solution lest those countries are thrust further into distress. He took over a battered country pushed against the wall in 2022 and has, in a span of a year, provided direction and hope for the future. Wickremesinghe expressed his confidence in the BRI to help countries like Sri Lanka find solutions to deal with its debt burden, pointing out that the BRI should focus on prevailing issues.

Wickremesinghe, who has been a frequent visitor to China since 1979, when asked about his view on China's development forty years after his first visit in 1979, said that the transformation is remarkable. He said that the streets of the global power in 1979 had been full of bicycles, today replaced by cars. He lauded China's lead in industries and industrialization and its development in the construction industry. He acknowledged that most will not have the privilege of witnessing such a transformation in their lifetime. Wickremesinghe also praised Chinese President Xi Jinping as a strong leader, well-informed on matters, welcoming and courteous as a host, and cordial at discussions. The Sri Lankan President observed that Jinping

came across as a leader who can make a difference in China and the world. Commenting on President Jinping’s Global Development Initiative, the Global Security Initiative, and the Global Civilization Initiative, Wickremesinghe said that, as advocated by the Chinese leader, the world needs closer cooperation. Hence, Sri Lanka supports these initiatives fully. The two countries have had civilizational exchanges for thousands of years, which must continue. And Jinping’s ambitions match Sri Lanka’s expectations and thoughts, said Wickremesinghe.

The key takeaways from Wickremesinghe’s media engagement shed light on the direction he envisages for Sri Lanka. Navigating Sri Lanka out of the current crisis is the President’s priority and hence his engagement in the Belt and Road Forum. He will push to solidify cross-border trade and investment through membership in global and regional bodies, including negotiating trade agreements. Sri Lanka’s development agenda will be the priority amid international rivalries and power struggles, using every opportunity with every country to further Sri Lanka’s national interests. He identified the criticality of focusing on climate change and its vulnerabilities for debt-ridden nations.



President Ranil Wickremesinghe in an interview with Tian Wei, CGTN Host.

He called for a recasting of the development program of the most vulnerable countries to a green agenda with the cooperation of the more strong economies. His

expectations for the future of the BRI – first, a shift to a green agenda; second, prioritizing climate financing; and third, becoming an integrated system.

The BRI and Debt and Climate Change

Wickremesinghe explained the BRI as an extension of the ethos that embodied the rice-rubber pact of 1952, Sri Lanka's first bilateral agreement since independence, a deal between two developing Asian countries. He said that the rice-rubber arrangement was a testament to the ability of Sri Lanka and China to find a solution to their respective needs through mutual exchanges. As Sri Lanka and China gradually began opening their borders, it demanded a resetting of the bilateral relationship between the Asian nations, and the BRI, said Wickremesinghe, is an example of how countries should work at advancing their relationships to suit current realities. He pointed out that China has changed the nature of bilateral relations by extending it to include multiple areas of economic cooperation, including trade, infrastructure, and investment, which Sri Lanka has been a beneficiary of, with the BRI signifying China's engagement with the world on numerous levels. Wickremesinghe said that the Colombo Port City is an example of the new nature of economic cooperation with China.

The debt burden is Sri Lanka's most significant vulnerability, acknowledged the President. Hence, Wickremesinghe pointed out that the road ahead for the BRI, which operates in a global reality of multiple challenges, economic, climate-related, and intense geopolitical tensions, is prioritizing the pressing issue of sovereign debt and climate crises that the heavily indebted countries are facing, achievable through a spirit of unity and cooperation. Wickremesinghe proposed a shift in the BRI, a green Belt and Road, in which climate financing will be the focus. This shift, he said, would suit the challenges of a new working environment of multiple issues where development assistance should target climate adaptation, especially for developing countries like Sri Lanka.

The 2023 Paris Summit also focused on moving the world towards a new global financing architecture that can meet the twin challenges of climate and development – and connecting the two, said Wickremesinghe, who stressed that the critical need right now is cooperation, of coming together to address the issues of debt, development and climate change, in which he thinks African countries should take the lead given that they are the worst affected. He emphasized identifying areas of cooperation and priority, pointing out that the pledges from developed countries for climate financing have fallen short of materializing, with some

spending more on financing the war in Ukraine. However, he said that despite Sri Lanka's climate vulnerabilities, good leadership can help weather the vicissitudes, making it imperative that the future of the BRI adopts a green agenda where the integrated plan for global development should be a sustainable one.

Wickremesinghe said that Sri Lanka's debt restructuring discussions include climate priorities and, as part of the country's commitment to addressing climate vulnerabilities, he would push plans to establish a Climate Change University in Sri Lanka and make it a focal point of climate change discussion and bring together all the scientific research and data on climate change so that there could be an exchange of ideas and decision-making based on scientific data. He has invited the Maldives to join in this initiative so that they could be a center for small island states.

Western Fears

While in China for the Belt and Road Forum, Wickremesinghe was also asked by Host Tian Wei about the "China threat" theory among Western nations, especially concerning the Hambantota Port. The President responded by saying that Sri Lanka always acts in its best interest and, with that focus, continues its external commitments. Wickremesinghe insisted that the Hambantota Port would operate as a regular commercial port similar to the Colombo Port, with its management outsourced to a third party. The management of the Hambantota Port is outsourced to the China Merchants Group. At the same time, enforcement functions remain the sole domain of the Sri Lankan government through the presence of the Police, Customs, and Immigration and Emigration departments, along with the tasks of defense and security, he said. The goal, he said, is to develop Hambantota Port into a commercial hub and transform it into a significant investment zone in keeping with Sri Lanka's trade development ambitions.

The President, during his media engagements, stressed the imperativeness of forging ties and agreements beneficial to Sri Lanka, claiming that the longstanding relationship with China stems solely from benefits to the island and its people. He maintained that the conflict between the major powers forces Sri Lanka to take a cautious approach to the relationship, balancing the dynamics and preserving the island's neutrality. Stemming from this perception, China's BRI has had its fair share of controversy, the initiative seen as part of China's expansionist agenda, leading to heated rhetoric, said Wickremesinghe, pointing out that notwithstanding the controversy surrounding some projects that China had undertaken in the past under

the BRI, the country will continue to advance the projects launched with the Southeast Asian giant based on their benefits to the country while assuring that in doing so Sri Lanka was not helping China strengthen its so-called expansionist agenda.

During the Colombo interview, the host brought up matters related to the Chinese research vessel and the external pressure on Sri Lanka, observing that the Sri Lankan Foreign Minister had reiterated the country's position as neutral during a meeting in New York. To that, Wickremesinghe stressed that as an independent sovereign country, Sri Lanka deals with all countries based on its national interests and engages with China and India as well as the USA and Europe separately, preventing one from influencing the other or overlapping. He also said that in marine research and exploration, Sri Lanka would cooperate with all countries. There are several areas for promotion in marine research, which the parties concerned could foster through discussion between relevant ministries and agreements.

Trade and Integration

Under his presidency, Wickremesinghe said he would push to strengthen trade ties through trade agreements with several regional allies. He resists the compulsion from key global players to take sides, emphasizing that countries like Sri Lanka should be allowed to accommodate and enter into multiple trade agreements and pacts to leverage the advantages and grow, given its current challenges. His ambitions include expanding free trade agreements with India and Japan and negotiating one with China while discussing Sri Lanka's entry into the Regional Comprehensive Economic Partnership (RCEP).

Wickremesinghe said Sri Lanka intends to join the RCEP, the world's most significant free trade pact, which stems from its aim to augment economic and trade connectivity to the world's largest markets through free trade agreements. He said that Sri Lanka's efforts to establish a South Asian Free Trade Area had failed, and since the prospects for such an agreement soon seem dim, the most feasible alternative would be to join the RCEP since Sri Lanka maintains close ties with RCEP members. Sri Lanka's close cultural and religious ties to China, Singapore, Malaysia, Indonesia, Myanmar, Thailand, Laos, and Cambodia, Buddhism being a uniting factor, gives common ground. The RCEP would be a stepping stone for Sri Lanka to forge free trade agreements with ASEAN countries in the RCEP, thereby widening Sri Lanka's economic connectivity in the region. He stressed his desire to extend

cooperation with RCEP members Japan, South Korea, Australia, and New Zealand.

Setting his sights on a more extensive geography, Wickremesinghe opined that to trade globally, economic competitiveness is critical, citing China as the best example of that achievement. Under his leadership, he said he hopes to explore markets and attract investments in more regions, insisting that it is time that Sri Lanka expands and establishes more markets in all the regions of the world, which only a competitive market environment can facilitate. In addition, RCEP members stand to reap the benefits of Sri Lanka's strategic location in the Indian Ocean and between major maritime routes as the center point, a market to access a larger market. Sri Lanka said Wickremesinghe, through alliances like the RCEP, could be the bridge where all nationalities find a common platform notwithstanding the brutishness of bloc politics.

When asked how he would convince Sri Lankans of the need to go in for more trade agreements, Wickremesinghe said creating awareness on their importance and benefits for the country among the people is a must and that the governments have always been encouraging and stressing on a shift to an export-oriented economy where Sri Lanka must seek more significant markets as the domestic market is a mere 22 million and the biggest markets right now, he said, make up the RCEP.

CGTN Host Li Tongtong also brought up comments made by Wickremesinghe earlier about the economic coercion and weaponizing of economic vulnerabilities of low and middle-income countries by the West and their attempts at stifling trade integration in the region. The President, in response, pointed out that as a member of the WTO, Sri Lanka has gradually adopted WTO rules and reforms in the last three decades, shifting to broad-based economic liberalization and opening the country to imports, promoting exports in manufacturing, and opening the country to investment. The deregulation has removed trade barriers and enabled Sri Lanka to accelerate trade activities in goods and capital with other countries, leading to economic growth and benefitting the region in general. Wickremesinghe said the US and Europe sometimes oppose Sri Lanka's trading activities. However, he also said that to abandon trade with certain countries based on the West's geo-political-strategic gains would be contrary to WTO rules, which cannot be changed arbitrarily or unilaterally but only through consultation. And consultation, he said, is the way forward. The adverse impact of arbitrary shifts in trade rules, as agreed with the WTO, would be on the region's middle-income countries, Wickremesinghe pointed out. CGTN Host Tian Wei observed that Wickremesinghe was ambitious for Sri Lanka's role as a neutral country at a time when bridges were being broken rather

than made. Responding, Wickremesinghe said that even in a bridge-breaking age, the world still needs bridges, and he intends to make Sri Lanka a bridge. In this country, all nationalities will find a common platform despite the divergent politics and climate issues. He also said he wants to create momentum for investors to come to Sri Lanka by starting early and focusing on investment in knowledge areas, such as ICT. Sri Lanka has immense human talent to advance the country's agenda. He also aims to make Sri Lanka a logistics center. He seeks to be friendly with all nations, he said. To this, the host pointed out that being a friend to all is a challenging task, given that each one is asking for different things. Wickremesinghe said that Sri Lanka has no other option but to do so for its survival.

On beefing up the courage of the business community in both countries to invest and look for opportunities in each other, Wickremesinghe said that he wants to start it with a few investors initially, which would encourage more investors to follow, observing that many Sri Lankan businesspeople have been dealing with China in the past, the critical need right now, he said was giving them the confidence to go out and expand. Unless they grow, they will be stagnant, which makes it imperative for them to capture outside markets.

Wickremesinghe stressed that the Colombo Port City would be vital in advancing Sri Lanka's trade and investment ambitions, noting that throughout history, major trade hubs had grown out of ports. The Port City will be part of Sri Lanka's new economic journey, he said. With the Port City, Sri Lanka will be able to compete globally. At the same time, it could be the next nucleus of international maritime trade and shipping, and the Port City contains all the ingredients to drive Sri Lanka towards that objective, the President explained. The Port City is especially significant given the country's historically active role in port-related trade, like the famous Mantai port in the east centuries ago, and today's Port City can be developed like in those days into a commercial city and a thriving domestic and international trade and business center.

Resilience and the Road Ahead

During the interview, Wickremesinghe also spoke of his plans for Sri Lanka. He is working on rebuilding a much-traumatized country. He said significant progress has been made with inflation under control from its earlier highs while the battered agriculture sector is experiencing a comeback with the economy undergoing restructuring. Normalcy is setting in with a gradual easing of the pressure on people's daily lives, although the cost of living is still high, which he hopes to rein in

eventually. The road ahead is clear – to lead the country towards sustainable and stable recovery and growth, which will help all segments of Sri Lankan society in all parts of the country, along with peace, prosperity, and reconciliation for the present and future generations of women and men.

Wickremesinghe said that the government was focusing on accelerating the growth in tourism and foreign employment, from which it will expand its reach gradually, but sees the importance of building momentum. Given that the crisis-ridden global milieu with the war in Ukraine and the Middle East impacting fuel prices that in turn impact economies, Sri Lanka is following a careful growth-centric trajectory which will materialize in 2024 with the critical focus of intensifying trade through investments in the country and believes that Sri Lanka's bounce back will be quicker than most other crisis-hit countries. He said that under the current momentum, the government hopes to achieve positive growth in 2024, which will see an upward trajectory in 2025, putting Sri Lanka on a good path.

Sri Lanka and China started on an equal plane more than seventy-five years ago, but their journeys today have diverged. But Wickremesinghe has set his sights on changing Sri Lanka's fortunes, transforming it into a developed country by 2048 when it celebrates its centenary of independence. He hoped that in 2049, the hundredth year of the founding of the People's Republic of China, the two countries could go on a united journey. Of his ambitions for Sri Lanka through its involvement in the BRI, Wickremesinghe told CGTN's Li Tongtong that he intends to use the Belt and Road Forum to extend the relationship between the two countries to expand trade relations, to earn Sri Lanka the opportunity to enter the Chinese market just like China has done in Sri Lanka, to attract more Chinese investment to Sri Lanka for economic growth and strengthen trade ties through the Belt and Road initiative. The BRI, he said, should go on, despite the wars and the geopolitics, and focus on debt restructuring and climate action and do so as a robust integrated organization able to face the multiple challenges confronting the world. As for Sri Lanka, in response to an observation on Sri Lanka's resilience to climate change given its current state, Wickremesinghe, in his usual spirited tone and confidence, said that human civilizations have to pick themselves up however much they fall and that it is the ability and leadership that takes them through and change the world into a greener one to ensure a future for all.