

## How a failing port gave China vital foothold

Hambantota port in June 2012, when commercial operations began. AFP/Ishara S.KODIKARA

Every time Sri Lanka's President, Mahinda Rajapaksa, turned to his Chinese allies for loans and assistance with an ambitious port project, the answer was yes.

Yes, though feasibility studies said the port wouldn't work. Yes, though other frequent lenders like India had refused. Yes, though Sri Lanka's debt was ballooning rapidly under Mr. Rajapaksa.

Over years of construction and renegotiation with China Harbor Engineering Co., one of Beijing's largest state-owned enterprises, the Hambantota Port Development Project distinguished itself mostly by failing, as predicted. With tens of thousands of ships passing by along one of the world's busiest shipping lanes, the port drew only 34 ships in 2012. And then the port became China's.

The transfer gave China control of territory just a few hundred miles off the shores of a rival, India, and a strategic foothold along a critical commercial and military waterway.

### Election funding?

The debt deal also intensified some of the harshest accusations about President Xi Jinping's signature Belt and Road Initiative: that the global investment and lending programme amounts to a debt trap for vulnerable countries around the world, fuelling corruption and autocratic behaviour in struggling democracies.

During the 2015 Sri Lankan elections, large payments from the Chinese port construction fund flowed directly to campaign aides and activities for Mr. Rajapaksa, who had agreed to Chinese terms at every turn and was seen as an important ally in China's efforts to tilt influence away from India in South Asia. The payments were confirmed by documents and cash checks detailed in a government investigation seen by *The New York Times*. Though Chinese officials and analysts have insisted that China's interest in the Hambantota port is purely commercial, Sri Lankan officials said that from the start, the intelligence and strategic possibilities of the port's location were part of the negotiations.

Indian officials, in particular, fear that Sri Lanka is struggling so much that the Chinese government may be able to dangle debt relief in exchange for its military's use of assets like the Hambantota port — though the final lease agreement with China forbids military activity there without Sri Lanka's invitation. NY Times

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