

INDIA, JAPAN BACK IN SRI LANKA PORT PROJECT

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The deal had been signed by the former Maithripala Sirisena-Ranil Wickremesinghe government. The February 1 decision came amid mounting opposition from port worker unions and sections of the clergy to “foreign involvement” in the country’s national assets.

The Rajapaksa government has offered India and Japan the WCT as an alternative, allowing higher stakes. In the ECT project agreed upon earlier, the Sri Lanka Ports Authority (SLPA) was to hold majority 51%, but in the WCT proposal, India and Japan will be accorded 85% stake, as is the case in the nearby Colombo International Container Terminal (CICT), where China Merchants Port Holdings Company Limited holds 85%, the government said.

Asked how authorities had convinced the unions of foreign investment at another terminal in the same port, Mr. Rambukwella said their opposition was specific to the ECT, which was partially in use. The terminal’s further development, which is now to be undertaken by the Sri Lanka Port Authority (SLPA), is aimed at augmenting operations at an estimated cost of upto \$700 million.

The West Container Terminal, however, has to be built from scratch, requiring a much higher investment.

The WCT is adjacent to the China-run CICT and just a couple of kilometres away from the China-backed Port City being built on reclaimed land, making it a strategically desirable spot for India, whose concerns over China’s presence in Sri Lanka are well known.

Colombo’s alternative offer also comes at a time when Sri Lanka is seeking support at the ongoing UN Human Right Council session, where a resolution on the country’s rights record will soon be put to vote. The government recently wrote to Prime Minister Narendra Modi. Asked if the two developments were linked, Mr. Rambukwella said they were “two different areas — one is commercial, other one, more of international relations.” On the resolution, he said: “I think India would stand with the right group, and take correct measures to support us.”

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