



RCAS Report

Comments on Lankan President Dissanayake's China Tour in January 2025

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About RCAS

香港亞洲研究中心| The Hong Kong Research Center for Asian Studies (RCAS) is a nonprofit research organization focusing on Asian affairs. It is a newly established institution founded in February 2022 by Dr. Nian Peng in Haikou and subsequently moved to Hong Kong in September 2023. We currently have an international research team with nearly 100 resident/nonresident researchers from China and other countries.

RCAS aims to become a leading research institute and think tank on Asian affairs in the Indo-Pacific region. To date, RCAS has conducted research programs on maritime disputes in the South China Sea (SCS), China's relations with the Indo-Pacific states, the Belt and Road Initiative (BRI), terrorism/counterterrorism in the Afg-Pak region, and so on. It is committed to promoting maritime cooperation, regional integration, and regional peace in the Indo-Pacific region at large.

RCAS has published nearly ten books in Chinese and English and more than 20 papers in SSCI/SCOPUS/CSSCI-indexed journals. Recent English publications include *Populism, Nationalism and South China Sea Dispute: Chinese and Southeast Asian Perspectives* (Singapore: Springer Nature, 2022); *Pakistan's Foreign Policy: Contemporary Developments and Dynamics* (London: Routledge, 2022); *Crossing the Himalayas: Buddhist Ties, Regional Integration and Great-Power Rivalry* (Singapore: Springer Nature, 2021); *The Reshaping of China-Southeast Asia Relations in Light of the COVID-19 Pandemic* (Singapore: Springer Nature, 2021); *Territorial Disputes, The Role of Leaders and The Impact of Quad: A Triangular Explanation of China-India Border Escalations* (2023); *Managing the South China Sea Dispute: Multilateral and Bilateral Approaches* (2022); *China-Pakistan Cooperation on Afghanistan: Assessing Key Interests and Implementing Strategies* (2022); *Hedging Against the Dragon: Myanmar's Tangled Relations with China since 1988* (2021); and *China-Pakistan Conventional Arms Trade: An Appraisal of Supplier's and Recipient's Motives* (2020).

RCAS has also published hundreds of articles, and its researchers have been interviewed in various local and international media outlets, such as *The Diplomat* in the United States, *East Asian Forum (EAF)* in Australia, *Bangkok Post* in Thailand, *Jakarta Post* in Indonesia, *Lian He Zao Bao*, *Think China* in Singapore, *South China Morning Post (SCMP)*, *China-US Focus* in Hong Kong, *CGTN*, *Global Times*, *World Affairs* in China. RCAS researchers have actively participated in international conferences or study visits in the United States, India, Pakistan, Sri Lanka, Nepal, Myanmar, Cambodia, and other places.

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China Tour in January 2025

President Anura Kumara Dissanayake's visit to China marks a significant milestone in the evolving bilateral relationship between Sri Lanka and China. This visit, his second state visit since assuming office, follows his earlier trip to New Delhi, reflecting the established tradition of Sri Lankan Presidents prioritizing India for their first official visit. This custom underscores the importance of Sri Lanka's relationship with its closest neighbor. The subsequent visit to China aligns with a growing pattern of Sri Lankan leaders seeking to balance ties with the two regional powers.

President Dissanayake's visit to China is both an opportunity and a challenge. It underscores the importance of sustaining and strengthening ties with China while addressing domestic concerns about transparency, sovereignty, and economic equity. At the same time, it highlights Sri Lanka's delicate position in managing its relationships with both China and India. As his administration continues to refine its foreign policy, the ability to balance these competing interests will be crucial in shaping Sri Lanka's diplomatic and economic future.

President Dissanayake's visit to China is expected to focus primarily on economic development and debt restructuring, critical priorities for Sri Lanka's ongoing recovery from its economic crisis. As the country continues negotiations with bilateral donors to manage its debt, discussions with China are particularly significant, given its status as Sri Lanka's largest bilateral creditor, holding \$4.2 billion in debt. The visit is anticipated to include talks aimed at enhancing economic collaboration and securing favorable terms for debt restructuring, a crucial step toward stabilizing Colombo's financial position.

Additionally, reports indicate that the visit will culminate in the signing of seven Memoranda of Understanding (MoUs) covering a range of sectors, including trade, investment, technology, and cultural exchange. These agreements are expected to deepen bilateral cooperation and reaffirm the growing partnership between the two nations, underscoring China's pivotal role in Sri Lanka's economic and strategic trajectory.

Since coming to power, President Dissanayake's government has placed a strong emphasis on safeguarding Sri Lanka's sovereignty, particularly in relation to India's security. He has committed to ensuring that Sri Lanka's territory will not be used in any way detrimental to India, which is a crucial aspect of maintaining positive relations with Sri Lanka's largest neighbor. However, this commitment is increasingly under strain as Colombo grapples with the pressures of its economic dependence on

China, especially given the controversy surrounding Chinese research vessels docking at Sri Lankan ports, which has raised concerns in New Delhi.

China remains a significant creditor to Sri Lanka, having provided substantial loans for infrastructure projects such as the Hambantota Port. Managing this debt while pursuing economic recovery poses a major challenge for the Dissanayake administration. While the government has expressed gratitude to China for its support during debt restructuring efforts, it must also prioritize the formulation of sustainable economic policies that will allow Sri Lanka to reduce its dependency on foreign loans and foster long-term growth.

India's recent decision to convert a significant portion of its loans to grants is a strategic diplomatic move that is likely to enhance its public acceptance in Sri Lanka. This shift, which positions India as a more supportive partner, presents a challenge for China to counter, as Sri Lanka's economic situation requires substantial external support. To maintain its influence and improve its image, China needs to focus on fostering local economic growth through investments rather than simply providing loans. One way to achieve this would be by creating more job opportunities for Sri Lankans, particularly by collaborating with local subcontractors for construction projects. This approach would help combat the perception that China's investments are primarily about taking on debt while depriving locals of employment opportunities.

China can further improve its public image by offering more favorable terms for restructuring Sri Lanka's debt. By doing so, China can position itself as a supportive and reliable partner, helping to ease economic tensions and reshape public perception. Regaining trust will require demonstrating that China is committed to Sri Lanka's long-term prosperity and not just its own strategic interests. Greater transparency in its projects is also crucial. Ensuring that agreements and investments are clear, beneficial, and fully understood by the Sri Lankan public will build confidence in China's role as a positive contributor to the country's development. Providing detailed information about contract terms and engaging in active public consultation for new projects will help address concerns about sovereignty loss.

Additionally, improving cultural relations and public diplomacy can play a significant role in reshaping public sentiment toward China. Engaging with the general public in a more approachable and practical manner will help build goodwill. Expanding opportunities such as scholarships, cultural programs, and language training for Sri Lankans will foster deeper bilateral ties and demonstrate China's long-term commitment to enhancing people-to-people exchanges. These efforts, alongside a more transparent and inclusive approach to economic collaboration, can significantly improve China's standing in Sri Lanka and contribute to stronger, more sustainable relations.-**Chulanee Attanayake, Swinburne University of Technology, Australia.**

About Author



Dr. Chulanee Attanayake is a Researcher at Swinburne University of Technology in Australia. She is also a non-resident fellow at the Hong Kong Research Center for Asian Studies (RCAS), Hong Kong. She has proven skills in quantitative and qualitative data analysis and presentation, policy planning and advocacy, teaching and skills development. Her expertise is on China's Statecraft Strategy in South Asia, and Politics, Geopolitics and Security in the Indian Ocean, and Sri Lanka's politics and relations with the outside world. Email: aattanayake@swin.edu.au.

The top priorities of the president's visit to China would include conversation on debt sustainability and how to service loans in the future. Dissanayake would have long conversations about how to re-evaluate some of the loans Sri Lanka obtained from China before. Moreover, Sri Lanka would require new projects in the country to develop, so I think some of the conversations would revolve around that.

The biggest challenge of the Dissanayake administration on dealing with China is how to maintain the momentum of the bilateral relations. It is uncertain that Dissanayake can maintain the same momentum that was experienced. India's gaze would be stronger on Sri Lanka, so diplomatically navigating that would also be a potential challenge for Sino-Lanka bilateral relations.

China should look at healthy publicity in Sri Lanka and beyond. Changing the hearts and minds of locals in Sri Lanka is something has missed out on. So it's important to focus on improving China's image in Sri Lanka.-**Bhagya Senaratne, Bandaranaike Centre for International Studies, Sri Lanka.**

About Author



Dr. Bhagya Senaratne is currently the Director of Education at Bandaranaike Centre for International Studies in Sri Lanka. Her research is at the intersection of Foreign Policy Analysis (Sri Lanka, China, United States), China Studies, Diplomacy, Strategic Communication and Maritime Security and Ocean Politics (Indian Ocean and the Indo-Pacific Region). Email: senaratne.bhagya@gmail.com.