community since it’s so called peaceful development has identified as a smart strategy with hidden security goals. Both India and the U.S.A created difficulty for Sri Lanka in the form of human rights allegations during the conflict and even call for Security Council resolutions for an international investigation in to it. On the other hand, China's strategy of non-interference has implied that it has no ambition to interfere in to domestic political issues in Sri Lanka.

China is highly concerned of the fact that if it can’t be the hegemon in South Asia, it won’t allow anybody else to do so. It is clear that China effectively used trade and investments compared to India and the U.S.A. But Sri Lanka has to be more cautious in maintaining balanced relationship with all the countries since China is not that much reliable partner in the light of rapidly changing international politics.

**Key words: Trade and investment, Chinese Peaceful Rise, Regional and extra regional powers, Sri Lanka**

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1Senior Lecturer, Department of International Studies Faculty of Social Sciences, University of Kelaniya, Sri Lanka, thumira@gmail.com