

China's String of Pearls Strategy and Sri Lankan Economy after 2009

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Abstract

China and Sri Lanka have extensive historical links, initially religious and cultural, and later also economic. The strategic location of Sri Lanka, between key shipping lanes and so-called 'String of Pearls Strategy', have significantly enhanced the two countries' economic relations in recent years. By examining the state of those relations in two comparative contexts: brief explanations of String of Pearls Strategy', the Strategic importance of Sri Lanka and the effects of China's String of Pearls Strategy. The results highlight a number of findings. First, get to know about the String of Pearls Strategy and what kind of changes China did in the Indian Ocean Region. China creates a network on the military, commercial facilities among Indian Ocean Region nations to success their economic ambitions through the Indian Ocean Region nations. Second, Sri Lanka is very significant for the Indian Ocean Region and resourcefully importance of Sri Lanka to Chinese investors and their exports. Also, Sri Lanka becomes a hub of Indian Ocean, because of maritime silk route located near Sri Lankan sea. In that case, Colombo and Trincomalee had a significant role to play in the naval routs. Third, analyze the trade, investment and tourism relations with China. After 2009, China has been the top of Foreign Direct Investments donor and lender to Sri Lanka in recent years, the Foreign Direct Investments brings on impact to the Sri Lankan Economy after 2009 and China attract more investments, grants, and loans to Sri Lanka to develop the Sri Lankan economy. As these economic help Sri Lanka trap a debt crisis. Also, within these relations what kind of threats and opportunities can be faced as a country like Sri Lanka will be discussed. In this research try to identify the contribution of String of Pearls Strategy to Sri Lanka economy after the civil war of Sri Lanka.

Keywords: String of Pearls Strategy, Economy, Indian Ocean Region, Sri Lanka, China

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