

CHINESE ECONOMIC PENETRATION IN THE INDIAN OCEAN REGION: THE GEO-STRATEGIC AND DIPLOMATIC IMPORTANCE OF SRI LANKA IN THE ONE BELT ONE ROAD PROJECT

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China is a rising global power in the 21st century. It is important to analyse its activities of the Indian Oceanic economic penetration. Sri Lanka is included as a part of the chain of infrastructure projects “One Belt, One Road” initiative of China. As a result of this, Colombo Port City and Hambanthota port are becoming two of the prominent financial and commercial centers on what has been dubbed the twenty first century Maritime Silk Road, the sea-based portion of China’s pan-Eurasia investment strategy. The research problem addressed here analyses the geo-strategic and diplomatic importance of Sri Lanka’s role in the “One Belt One Road” Project, as a maritime center in the region. It should be noted that China is playing an important role in the process of changing the global economic centre from west to Asia. Despite the rising risk of depending on the Western trade market, China’s current strategy is to establish an export market in developing countries by providing them with opportunities to achieve economic progress through their investments in infrastructure development. Moreover, it is a strategic step that has been taken to strengthen the energy and security. But, the rise of China is becoming a huge challenge to the strategic position of India as a regional power, and the US as a world power, especially, considering their quantitative and qualitative development of military feasibility along with their economic capability in the Indian Ocean. China is attempting to win over neighbors and other countries in the region through increased trade incentives and transport connectivity. In this context, being a small state in the region, the impact exerted on the Sri Lankan economic and foreign policies by the triangular conflict connecting America, India and China, is but inevitable. However, centrality of Sri Lanka to China’s alleged “string of pearls” project, emphasizes the geo-strategic and diplomatic importance of the role of Sri Lanka. Also, China’s strategy of creating a network of ports in friendly countries supports and protects its massive volume of export goods and imports of energy along the “One Belt One Road” Project in the region.

Keywords: Economic Penetration, Geo Strategic, Trade Incentives