

India, Lanka to boost defence ties

Will accomplish ETCA soon to promote bilateral trade: PM

SUBHAYAN CHAKRABORTY
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India and Sri Lanka on Monday agreed to ramp up defence and energy ties, including establishing electricity-grid connectivity and multi-product petroleum pipelines, as Prime Minister Narendra Modi held extensive talks with Sri Lankan President Anura Kumara Dissanayake.

The Sri Lankan President arrived in New Delhi on a three-day official visit to India on Sunday, his first foreign trip after becoming president in September.

In a joint press statement, Modi said both sides agreed to emphasise the investment-led growth and connectivity for the India-Sri Lanka economic partnership, and it was decided that physical, digital and energy connectivity will be key pillars of the cooperation.

"We shall work towards establishing electricity-grid connectivity and multi-product petroleum pipelines between both nations. The Sampur Solar Power Project shall be accelerated. Additionally, Liquefied Natural Gas (LNG) shall be supplied for Sri Lanka's power plants," he said.

The proposal for the establish-



PM Narendra Modi (right) with Sri Lankan President Anura Kumara Dissanayake at the Hyderabad House in New Delhi on Monday PHOTO: PTI

ment of a pipeline between Tamil Nadu and Sri Lanka is expected to ensure an affordable and reliable supply of fuel to the island nation. Processed petroleum exports (\$708 million in FY24) made up 17 per cent of India's \$4.9 billion exports to the country. Petroleum exports have surged in recent years, rising from \$551 million in 2019-20.

The talks between the two leaders, however, did not feature earlier plans to jointly explore and produce hydrocarbons in Sri Lanka's offshore basins.

Both sides took note of multiple projects in the energy sector in different stages of discussion, includ-

ing cooperation among India, Sri Lanka and the United Arab Emirates to implement a multi-product pipeline from India to Sri Lanka for the supply of affordable and reliable energy, and the joint development of offshore wind power potential in the Palk Straits.

Defence and debt restructuring

Dissanayake reiterated that Sri Lanka's territory will not be used in any manner inimical to India's security and regional stability. India is Sri Lanka's closest maritime neighbour.

Both sides have committed to provisioning defence platforms

and assets to augment Sri Lanka's defence capabilities and intensify collaboration through joint exercises, maritime surveillance, and defence dialogue.

The joint statement also called for enhancing capacity building and training for Sri Lankan defence forces, and holding tailor-made training programmes wherever required.

Dissanayake thanked India for its support in stabilising the Sri Lankan economy through unparalleled and multi-pronged assistance, including emergency financing and forex support worth \$4 billion. Acknowledging India's crucial assistance to Sri Lanka's debt restructuring process, including as co-chair of the Official Creditors' Committee (OCC), he said it was instrumental in finalising the debt restructuring discussions in a timely manner.

The two leaders instructed officials to finalise discussions on the bilateral MoU on debt restructuring. Modi said both sides will seek to accomplish the Economic and Technology Cooperation Agreement (ETCA) soon to promote bilateral trade.

The two nations re-launched talks on the ETCA in November 2023 after about a five-year hiatus. Both sides have also committed to enhancing trade settlements in local currencies and encouraging investments in key sectors in Sri Lanka.