

The 21st Century Maritime Silk Road: Sino-Sri Lanka Bilateral Maritime Cooperation

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Abstract: The Silk Road Economic Belt and the 21st Century Maritime Silk Road are Chinese strategic initiatives to increase investments and foster collaboration along the historic Silk Road. Chinese President Xi Jinping first raised the Maritime Silk Road initiative when he visited Southeast Asia in October 2013. During his visit, he memorialized the ancient Maritime Silk Road and outlined a new Maritime Silk Road, in order to revive the Maritime Silk Road to carry forward the spirit of peace, friendship, and cooperation of the ancient Silk Road. China hopes to realize common development with all countries along the road to improve maritime security, and develop a community of common destiny. This paper examines the building of the new Maritime Silk Road from three aspects: the Asian Infrastructure Investment Bank, infrastructure construction, and free trade areas. Finally, this paper proposes to better bilateral cooperation between China and Sri Lanka in the areas of policy, capacity building and training. Sri Lanka is the first country to officially support China's initiatives and both countries hope that their bilateral collaboration will become a model for maritime cooperation in the new era, resulting in Sri Lanka becoming a dazzling pearl along the 21st Century

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I. Introduction

Chinese President Xi Jinping initiated the 21st Century Maritime Silk Road during his visit to Southeast Asia in October 2013. His aim was to economically integrate the region to enable common growth and prosperity. President Xi proposed the strategy creatively, taking into account both the history of the Silk Road and its future. The new Maritime Silk Road and the new Silk Road Economic Belt constitute an important part of the Chinese dream of rejuvenating the nation.¹ The 21st Century Maritime Silk Road starts from China's southeastern coast, traverses the South China Sea, crosses the Indian Ocean and Persian Gulf, and extends as far as East Africa and Europe, forming a vital transportation network. The Road and Belt initiatives are inclusive and will result in the region sharing in the universal benefits of win-win cooperation.

The concept of the new Maritime Silk Road has a profound historical background. The history of China's Maritime Silk Road dates back to the Qin and Han dynasties, about 221 BC to AD 220. According to *Hanshu* (Book of Han), Chinese people were already travelling from ports at Xuwen (in today's Guangdong Province) and Hepu (in today's Guangxi Zhuang Autonomous Region) across the South China Sea for exploration. The records of these early voyages still exist today. The Maritime Silk Road had always played a pivotal role in facilitating economic and cultural communication between East and West in ancient times. Constantly expanding, the route was a golden passage for transportation and trade. During the Ming Dynasty, the diplomat and great navigator Admiral Zheng He led seven expeditions to the Indian Ocean, pioneering peaceful diplomacy and regional trade. In this sense, the 2,000-year-old Maritime Silk Road is an unparalleled trade route and a symbol of China's reaching out to the wider world.

The 21st Century Maritime Silk Road has "helped promote China's coope-

1 Li Guanghui, A Historical Decision concerning the New Maritime Silk Road, at http://www.chinatoday.com.cn/ctchinese/reports/article/2014-08/06/content_633387.htm, 1 March 2015. (in Chinese).

ration with countries in Central and Southeast Asia, in such areas as trade and monetary cooperation, transport connectivity, and people-to-people exchanges.”²

II. Development Direction of the Maritime Silk Road

According to Yin Pumin, a reporter at the *Beijing Review*, “The new Maritime Silk Road is expected to further communication and cooperation between China and the countries and regions along the route through trade, investment, cultural and currency exchanges.” He goes on to say that the aim of this initiative is “to deepen economic and maritime links and integrate all the existing cooperation mechanisms among the countries along the route.”³

China and Sri Lanka will continue to deepen their relations through the 21st Century Maritime Silk Road initiative. China-Sri Lanka bilateral collaboration will become a model of maritime cooperation in the new era and Sri Lanka is expected to become an important partner with China in enhancing economic cooperation, improving maritime security, and forming an economic community and a community of common destiny.

A. Economic Community

Forming an economic community is one of the goals of promoting economic integration between China and Sri-Lanka through the 21st Century Maritime Silk Road. The road is conducive to realizing bilateral exchanges between China and Sri-Lanka, as well as establishing and improving economic development, thereby bringing Sino-Sri Lankan economic and maritime cooperation to a new and higher stage.

Forming an economic community will help China and Sri Lanka explore the potential of regional and domestic demands, create new economic growth points, strengthen the endogenous dynamics and risk-resistance capability of their economies, and push forward the transformation and upgrading of their economies.⁴

In an economic community, China and Sri Lanka can fully communicate with each other on economic development strategies and solutions. They can work out

2 Yu Ning, Cooperation on Belt and Road Initiatives, *China Today*, No. 2, 2015.

3 Yin Pumin, A Second Wind for an Ancient Route, *Beijing Review*, No. 6, 2015.

4 At <http://by.china-embassy.org/chn/xwdt/t1151253.htm>, 1 March 2015. (in Chinese)

strategic plans and measures for bilateral cooperation to enhance mutual economic integration. To build an economic community, both China and Sri Lanka should work together to explore ways to facilitate trade and investment, and where appropriate, remove trade and investment barriers, aiming at expediting mutual economic circulation and development. Both countries can also develop financial institutions, and make their economies more competitive in the region.

B. Community of Common Destiny

By facilitating communication between China and Sri Lanka, the Maritime Silk Road aims to help build a community of common destiny which represents the mutual concerns, interests and expectations of both countries. This “community of common destiny” is expected to provide guidance for and support to a peaceful and stable region in the Asia Pacific and Indian Ocean. In describing the 21st Century Maritime Silk Road, President Xi emphasized the shared destiny of China and the other countries along the road, including Sri Lanka. He also stated that China was ready to further open up its economy to the world to enable other countries to benefit more from China’s development.

President Xi also highlighted that China was ready to discuss, through dialogues, with ASEAN and other countries, including Sri Lanka, the prospect of concluding a treaty of good-neighborliness, friendship, and cooperation in a joint effort to build good neighborly relations. China and Sri Lanka should strengthen their foundation of mutual support for State-to-State relations, promote exchanges and dialogues among different civilizations, and strengthen friendly exchanges among their peoples to enhance mutual understanding and traditional friendship for the community of common destiny.

Forming a community of common destiny will be conducive to the development and stability of both China and Sri Lanka, but both countries should respect the diversity of civilizations and put more efforts to facilitate the building of a community of common destiny. In the process of building the new Maritime Silk Road, both China and Sri Lanka should negotiate and support one another. That is why enhancing communication is a vital part of the road’s creation.

C. Maritime Security

Maritime security is the concept of maintaining the freedom of the high seas

unhindered by piracy and other man-made threats. The 21st Century Maritime Silk Road also contributes to regional maritime security. It calls for all-round cooperation in maritime fields. In recent years, maritime security in the region has been increasingly threatened by piracy, maritime terrorism, maritime crimes, and maritime disasters. Countries along the road share a common interest in addressing these challenges to maritime security. Therefore, measures for combating piracy and maritime crime are one of the important parts of the Maritime Silk Road. China has and continues to be committed to promoting information exchange and maritime cooperation between countries along the road in the areas of maritime safety and security and marine environmental protection.

Implementation of the Belt and Road Initiatives is a long-term strategy as well as a systematic project. It therefore requires step-by-step efforts to expand comprehensive cooperation between China and Sri Lanka.⁵

III. Maritime Silk Road Building

The concept of a 21st Century Maritime Silk Road embodies friendly exchanges, mutual benefit and common development in maritime cooperation. China and Sri Lanka need to enhance policy negotiation, discuss interactions, and promote the growth of the new Maritime Silk Road together.

A. Asian Infrastructure Investment Bank

The Asian Infrastructure Investment Bank (AIIB) is an international financial institution proposed by the government of China in 2013. The purpose of this multilateral infrastructure investment bank is to provide financing to infrastructure projects in Asia. In October 2014, the Memorandum of Understanding on Establishing the Asian Infrastructure Investment Bank was signed in Beijing. And in June 2015, the Articles of Agreement (AOA) were finalized and open for signature by prospective funding members (PFMs). The AOA is expected to enter into force, and AIIB to be fully established, by the end of 2015.

The AIIB is aimed at developing the 21st Century Maritime Silk Road. China has started consultations with relevant parties on the preparations for the bank

5 Zhang Monan, *The Road and Belt Initiative Changes Global Economic Growth Pattern*, at <http://sl.china.com.cn/2015/0807/1491.shtml>, 1 March 2015. (in Chinese)

and also hopes that the bank can be officially launched as soon as possible. Asian countries believe that industrial complementarity is a key aspect of integrated development.⁶ Therefore, it is wise to take advantage of Asian geographical proximity to improve cooperation and build an industrial and economic system to strengthen the development of AIIB.

B. Infrastructure Construction

Infrastructure construction lays a solid foundation for the newly developed Maritime Silk Road. To successfully further the process, the following principles should be considered.

First, China and Sri Lanka, under the new Maritime Silk Road, should further strengthen bilateral strategic trust and organize a forum for development and cooperation, in the meantime, the best roadmap and approaches to Maritime Silk Road construction should be explored.

Second, China and Sri Lanka should improve transportation infrastructure to improve regional trade. Relevant departments of the both countries should endeavor to construct a transport network.

Third, maritime economic cooperation should be enhanced between China and Sri Lanka. Countries along the new Maritime Silk Road should promote a maritime economic system; pool together resources, technologies and products; and explore bilateral investment in industrial parks.

C. Free Trade Areas

The Maritime Silk Road will connect the Pacific and Indian Oceans and beyond. China will focus on upgrading the China-ASEAN Free Trade Area and extending it to the coastal regions of the Indian Ocean, the Persian Gulf, the Red Sea, and the Gulf of Aden. By virtue of the China-Pakistan Economic Corridor, the Bangladesh-China-India-Myanmar Economic Corridor, and the China-Sri Lanka Maritime Silk Road connection, China and relevant countries in the region will work together for an open, safe, and effective maritime road that can facilitate

6 Speech by H.E. Li Keqiang at the Opening Plenary of the Boao Forum for Asia Annual Conference, at <http://english.boaoforum.org/ac2014news/13474.jhtml>, 1 March 2015.

trade, transportation, economic development and the dissemination of culture.⁷

IV. Sino-Sri Lanka Cooperation

China and Sri Lanka continue promoting investment relations through the 21st Century Maritime Silk Road initiative. The Free Trade Agreement (FTA) to be signed between the two countries early next year will contribute to reducing trade imbalances and benefiting both countries.⁸

The infrastructure projects funded by China, Sri Lanka's involvement in China's Maritime Silk Road initiative, and funding from the AIIB will work together to improve the effectiveness of this free trade area.⁹ As a true friend of Sri Lanka and a reliable strategic development partner, China is determined to continue its financial support and technical assistance to Sri Lanka's efforts to develop its country for the betterment of its people.

A. Governmental Level

Relations between China and Sri Lanka have been boosted by frequent State visits. For instance, Sri Lanka's former President Mahinda Rajapaksa visited Beijing in 2013. During this visit, ties between the two countries were elevated to a "strategic partnership," laying the groundwork for greater engagement. In March of 2015, Sri Lanka's newly elected President Maithripala Sirisena was invited to pay a visit to Beijing and held an official meeting with President Xi of China. President Maithripala Sirisena then attended the Boao Asian Forum in Hainan, China, during which time China and Sri Lanka's strategic partnership was further enhanced.

B. Economic Exchange

The two countries will continue expanding cooperation on significant infra-

7 Liu Cigui, Reflections on Maritime Partnership: Building the 21st Century Maritime Silk Road, *China International Studies*, No. 4, 2014.

8 Sri Lanka Supports China's Initiative of a 21st Century Maritime Silk Route, at <http://www.maritimesun.com/news/sri-lanka-supports-chinas-initiative-of-a-21st-century-maritime-silk-route>, 1 March 2015.

9 China, Sri Lanka to Invest in Maritime Silk Road Initiative, at http://usa.chinadaily.com.cn/business/2014-12/16/content_19100171.htm, 1 March 2015.

structure projects, including building a \$1.4 billion port city, expanding terminal services at Colombo and Hambantota ports and constructing a \$1 billion highway connecting the capital with the once remote northern part of the country. The port city project will be an important investment platform that will provide more opportunities and attract more foreign investments for Sri Lanka. Further, the northern highway is considered a model of cooperation between the companies of the two countries.

C. Maritime Cooperation, Capacity Building and Training

Maritime cooperation programs are planned by the Ministry of Transport in China, taking into consideration the practical requirements of Sri Lanka. The Department of International Cooperation of the Ministry of Transport in China is responsible for coordination and consultation, while the China Maritime Administration is playing a significant role in implementing these maritime cooperation programs.

Maritime cooperation between China and Sri Lanka includes, but is not limited to, maritime strategic planning for next 5 to 10 years, maritime infrastructure construction, technical assistance for improving navigational safety and marine environmental protection, and capacity building of Sri Lanka's maritime administration, as well as relevant financial support to Sri Lanka.

In 2006, a cooperative program for maritime education and training was established between China and Sri Lanka. This program was implemented by the Dalian Maritime University in Northeast China and the International Institute of Marine Engineering in Colombo, Sri Lanka. Educational cooperation between these two universities focuses on navigational technology, marine engineering, and logistics engineering and management. Both partners have agreed on the syllabus, training plan, curriculum, teaching system, and strengthening of basic knowledge of science and culture. In addition, the two sides have also agreed to exchange visits by faculty, staff and students, and to organize and host academic conferences, workshops and seminars to further enhance educational cooperation.¹⁰

10 At http://www.cnr.cn/2004news/wenjiao/200610/t20061018_504308974.html, 1 March 2015. (in Chinese)

V. Conclusion

Merchant ships plying along the Maritime Silk Road brought prosperity to both China and its neighboring countries between the 7th and 14th centuries, inspiring Chinese President Xi to raise a proposal to build the 21st Century Maritime Silk Road in 2013.¹¹ The *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road* was published by the Chinese Government in late March of 2015. Its aim is to deepen economic and maritime links and integrate all the existing cooperation mechanisms among the countries and to form an economic community and a community of common destiny and to contribute to maritime security.

It also urges further efforts to capitalize on the country's ports, sea routes, and free trade areas. The AIIB will play a significant role in developing the 21st Century Maritime Silk Road. The Maritime Silk Road is also designed to cement relationships with countries that are tacitly friendly to China such as Sri Lanka. This will be accomplished primarily through economic incentives such as infrastructure development and trade deals. In this sense, the Maritime Silk Road not only stands side by side with the Silk Road Economic Belt, but also as part of a historical continuum that includes China's past investments in maritime-related infrastructure.¹²

China will continue to provide financial support and technical assistance to ports in Sri Lanka, such as the Hambantota and Colombo Port City projects, maintain high level government official visits, establish a mechanism of dialogue at a ministerial level and operational level, and promote maritime cooperation, capacity building, maritime education and training programs.

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11 Across China: Ancient Silk Road Expects Tourist Boom, at http://news.xinhuanet.com/english/china/2015-01/29/c_133954220.htm, 1 March 2015.

12 China's Maritime Silk Road Gamble, at <http://www.eastbysoutheast.com/maritimegamble/>, 1 March 2015.