

# Chinese Port In Colombo Strengthens String Of Pearls



Sri Lanka Ports and Shipping Minister Arjuna Ranatunga visits the 16,000 TEU vessel Marco Polo, at dock in Colombo.

The first section of a Chinese port project in Colombo, Sri Lanka is boosting the speed of India's maritime freight shipping. The \$500 million investment by China Merchants Holdings International (CMHI) in Sri Lanka's first deepwater port is already paying off by handling significant volumes of Indian container traffic – and shortening local feeder routes in the process.

“Seventy per cent of the transshipment of Colombo is India traffic and our terminal has 32 per cent of Colombo’s market after being in operation for just over a year,” said Tissa Wickramasinghe, general manager, commercial and marketing, at port operator Colombo International Container Terminals (CICT). The company is 85 percent owned by CMHI, with the rest held by the Sri Lanka Ports Authority.

The port is popular for Indian cargo because many Indian ports are too shallow for large modern liners and Colombo is much closer to the Indian mainland than competing transshipment ports in Singapore and Malaysia. Smaller feeder vessels from India transfer containers to deep draft ships at Colombo, and can quickly return to get additional cargo.

India has expressed unease at Chinese maritime activity so close to the mainland. In 2014, several Chinese naval vessels – including submarines – called at the port, causing Indian authorities to voice concern.

Sri Lanka's government has changed directions on the port project several times, as on other Chinese investments. The opposition called for blocking it due to security concerns, saying that giving land to the Chinese next to an existing secure facility was unacceptable. But in March Sri Lanka's president assured the Chinese that they would move forward with the port expansion with proper permits.

"[Sri Lankan President Sirisena] stressed that what happened around the port city in Colombo is rather temporary, and he said the problem does not lie with the Chinese side and hopes to continue with the project after things are sorted out," said Liu Jianchao, China's assistant minister of foreign affairs.

The port is seen as one part of the Chinese initiative to construct a “string of pearls,” a line of facilities extending their reach across the Indian ocean. Other significant pieces include the Gwadar Port in Pakistan, the terminus of a planned “Twenty-First Century Silk Road” rail line linking western China with the Arabian Sea, and a proposed naval base in Djibouti, near the Bab-el-Mandeb straits.

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