

Hambantota Port

The Hambantota Port, also known as the Magampura Mahinda Rajapaksa Port, is a maritime inland port located in Hambantota, Sri Lanka. It is constructed by the Sri Lankan Port Authority and mostly funded by EXIM bank of China.

The construction of the port has serious strategic implications for India, the details of which will be further explained in this article.

The information gained will be useful for candidates appearing in the Civil Services Examination this year.

Overview of the Hambantota Port

The construction of the Hambantota Port began on 15 January 2008. Chinese companies, Sinohydro Corporation and China Harbour Engineering Company were involved in the first phase of the construction which cost an estimated \$360 million, excluding \$76.5 million for the bunker terminal. The Chinese government provided 85% of the funding while the Sri Lanka Ports Authority provided the remaining funding

Initially set to open in the first half of 2011, five months ahead of schedule, the first phase of the project was completed by November 2010.

The port was inaugurated on 18 November 2010 by Sri Lankan President Mahinda Rajapaksha. The first vessel to drop anchor at the port was the navy ship 'Jetliner' which sailed from the Naval Base in Galle.

The launch of the second phase of the development of the port commenced on the same day. There is also a move to create this port as a free port due to its commercial inactivity.

The first phase of the Port of Hambantota will consist of two 600m general purpose berths, a 310m bunkering berth and a 120m small craft berth. It will also contain a bunkering facility and tank farm which will include 8 tanks for marine fuel, 3 tanks containing aviation fuel and 3 for Liquid Petroleum Gas (LPG).

The mouth of the natural harbour at Hambantota has a 22-metre depth. When completed, the port will have a 1.5 km long breakwater, with a minimum basin depth of 17 m. This is compared to the 15.5 m depth of the Port of Colombo.

Why was the Hambantota Port constructed?

Sri Lanka is situated between the lucrative shipping routes of the Malacca Straits and the Suez Canal, linking Asia and Europe in the process. An estimated 36,000 ships use the route annually. But Sri Lanka has only one major port that can handle the high volume of ships, the Port of Colombo. And even the Port of Colombo is only geared towards handling containers, its facilities unable to provide other auxiliary services.

Therefore a new port was proposed near the city of Hambantota which possessed a natural harbour and was close to international shipping routes as it was located at the southern end of Sri Lanka.

The new port would help resolve the Colombo port's logistical problems and would provide fast access to the shipping lanes. But the construction of the port, as stated by maritime experts, is a conflict of interests between two Asian superpowers - India and China. It is believed by geopolitical commentators that while China seeks to gain supremacy in the Indian Ocean, India seeks to maintain a natural defence perimeter in the same region.

India's concern about Hambantota Port

Despite high expectations from the opening of the Hambantota Port, it started incurring losses as the years went by. At one point in 2016, the port made US\$11.81 million and incurred expenses of US\$10 million as direct and administrative costs to report an operating profit of just US\$1.81 million. As the losses continued to mount it was decided to lease the port to China for a period of 99-years.

The agreement was signed in July 2017. The large Chinese loans, the inability of the Sri Lankan government to service the loans, and subsequent 99-year Chinese lease on the port have led to accusations that China was practising Debt trap diplomacy. The port in itself is considered a crucial element in China's One Belt and One Road Initiative (OBOR).

India's concern is that a Sri Lankan Port is leased to China, that too against the backdrop of strained India-China Relations is in itself a security concern.

Such concerns were also raised with Sri Lankan leaders but they assured that Sri Lankan Ports would not be used for any detrimental actions against an outside party. Despite such assurances, New Delhi still remains wary of Beijing's foray into what it calls the String of Pearl's doctrine. India has been countering China's growing influence in the region by investing in other Sri Lankan infrastructure such as the Mattala airport. It remains to be seen how much of these investments will pay off in the coming years.

