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IMPLICATIONS OF GEOECONOMIC COMPETITION IN THE COLOMBO PORT BY INDIA AND CHINA:

A SRI LANKAN PERSPECTIVE

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SOUTH ASIAN FUTURES FELLOWSHIP

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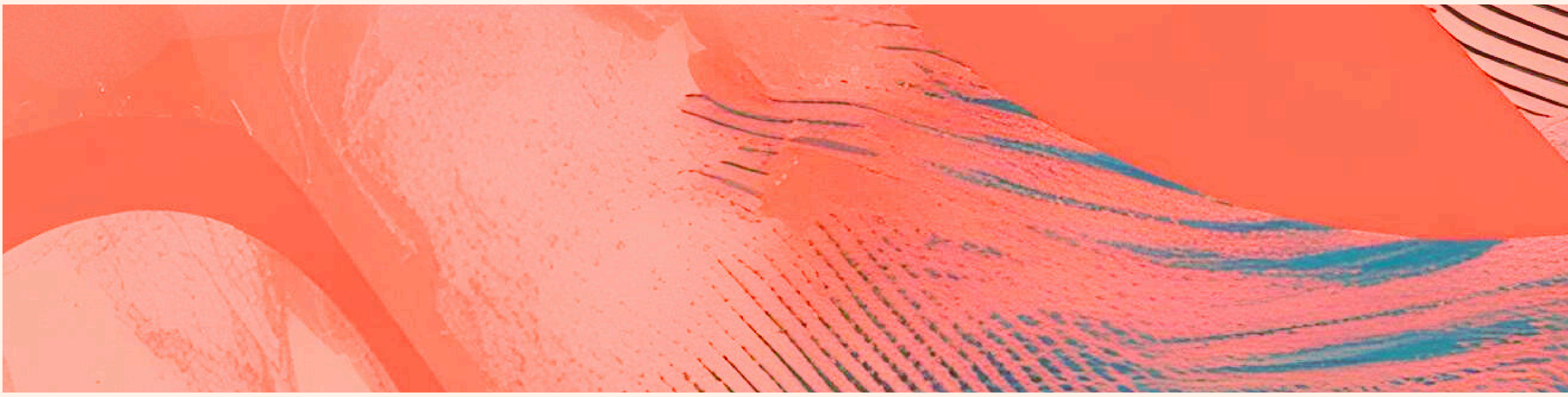

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Implications of Geoeconomic Competition in the Colombo Port by India and China: A Sri Lankan Perspective

1. INTRODUCTION

Sri Lanka aspires to become the primary logistics hub in the Indian Ocean. Its strategic position along the crucial East-West shipping route and the rapid integration of South Asia into global supply chains place this ambition well within reach. However, realising this potential requires significant foreign investment to enhance port infrastructure. At the same time, Sri Lanka has become a focal point of intensifying geoeconomic rivalry between India and China.[1] Caught in this geopolitical tug-of-war, Sri Lanka now faces the delicate task of attracting critical investment while carefully balancing the competing strategic interests of these regional powers.

This article examines the implications of Sri Lanka's balancing act for its ambition to become a logistics hub. The implications of smaller nations engaging with two competing powers simultaneously are rarely analysed from the perspective of the affected countries. As such, this report has the potential to provide unbiased lessons for other South Asian countries facing similar dilemmas in balancing geoeconomic competition between regional powers.

2. BACKGROUND: SRI LANKA'S RESPONSE TO THE GEOECONOMIC COMPETITION

A narrow focus on India and China

Most of Sri Lanka's key port investments over the past two decades have involved China or India. Sri Lanka has four main ports: Colombo, Hambantota, Trincomalee, and Kankesanthurai (KKS).

The Hambantota port is operated through a 99-year Joint Venture between China's CMPort and the Sri Lanka Ports Authority (SLPA). The Trincomalee Port, one of the world's largest natural deepwater harbours, is under India's sphere of influence, with multiple Indian investments, particularly in fuel supply. India has also expressed its interest in leasing out the port.[2] Further, India has pledged a USD 61.5 million grant to develop the KKS Harbor and is in discussions with Sri Lanka about leasing the port under a Build-Own-Operate model for 30 years.[3]

The Colombo port, on the other hand, is a prime example of the competition between India and China playing out within the same port. Since 2009, all foreign investments in the Colombo Port have been pledged to either China or India. (See Exhibit 1) For instance, the Colombo International Container Terminals (CICT) terminal was handed to China's CMPort in

2009 on a 35-year lease. Following this, the Colombo Port City, a special economic zone adjacent to the Colombo Port, was handed over to China Harbour Engineering Corporation in 2014 for 99 years.

Exhibit 1: *Map of the Colombo Port and the ownership stakes*

Source: Author's assessment based on various sources (See Annex 1)

In 2020, India, eager to strengthen its presence in Sri Lanka's ports, secured a stake in the Colombo Port's West Container Terminal (WCT) through an investment by the Adani Group.[4] Seemingly in step with India's investment, in mid-2023, the Sri Lankan government announced plans to award CMPort a 70% stake in the South Asia Commercial and Logistics Hub (SACLH), a logistics facility within Colombo port under a 50-year lease.[5] Consequently, in February 2024, a possible logistics park was announced with the Adani Group.[6] (See Annex 1 for a profile of these port investments) Even when third countries were considered for engagement in Colombo—such as the 2019 MoU to award the East Container Terminal (ECT) to a joint venture between India and Japan—the arrangement failed to materialise, primarily due to objections from trade unions in the state-controlled Sri Lanka Ports Authority (SLPA), who insisted the terminal remain under SLPA control.[7] Consequently, Sri Lanka's cabinet approved a contract with China Harbour Engineering Company (CHEC) to develop ECT, while the SLPA retained operational control. Meanwhile, India was awarded the WCT as a consolation prize.[8]

These developments suggest that Sri Lanka has opted to focus its port investments primarily on China and India, and the space for other partners to compete is shrinking.

Motivations for engaging India and China

Understanding the context in which India and China began investing in Colombo's port infrastructure is crucial to evaluating Sri Lanka's reasons for partnering with them.

The decision to award one of the first of such engagements, the CICT, to China's CMPort was made more due to a lack of alternatives rather than geopolitical considerations. In 2009, Sri Lanka was nearing the end of the three-decade-long armed conflict, and an expansion of the Colombo Port was long overdue. The last critical investment at the port was the South Asia Gateway Terminals (SAGT) in 1999. While Sri Lanka did carry out competitive bidding to select an operator for the CICT or the Colombo South Terminal, as it was known, China's CMPort was the only company to bid.[9] The timing of the competitive bid played a crucial role in this result, as it was done at the height of the global financial crisis (2008-2009)—when no other investors were seeking opportunities—and also at a time when Sri Lanka faced scrutiny for alleged human rights violations following the end of the armed conflict. At the time, China emerged as a willing partner, offering swift implementation of projects and an appetite to work with Sri Lanka despite the international scrutiny. China's motivation for the bid also reflects its own strategic ambitions of securing a foothold in the Indian Ocean region, particularly to address its "Malacca Dilemma".[10]

Since then, Sri Lanka has engaged with China for subsequent investments in and around the ports, such as the Colombo Port City. Three reasons drew Sri Lanka to China: a political alignment during the Mahinda Rajapaksa regime; China's willingness to engage in projects with minimal short-term returns like the Hambantota Port; and the initial Indian reservation to engage with port investments in Sri Lanka.

At the time, India showed little interest in investing in Sri Lankan ports despite their significant importance to Indian trade(the Colombo port accounts for up to 40% of Indian transshipment). This was possibly due to a lack of financial resources and excess capacity from India to expend on investments in other countries. India still had a long way to go in expanding its own infrastructure capacity, and unlike China—which has large State-Owned Enterprises (SOEs) with excess capacity at its disposal to initiate foreign investments—the Indian government didn't have such tools.[11] Experts also suggest that India was keen to avoid bolstering Sri Lankan ports, which they considered a regional competitor,[12] particularly as it was launching its Sagarmala initiative with a key objective to reduce reliance on transshipment through Sri Lanka.[13] As a result, not only did India reject the initial proposal to develop the port in 2002[14], but it also declined in 2017, when Sri Lanka first approached India to lease the Hambantota port.[15]

However, this stance has shifted in recent years. Mounting concerns over China's investments in Sri Lanka ports have prompted India to re-evaluate its view of Sri Lanka as a competitor in port operations. Moreover, the slowdown in Chinese funding after 2015 (following Mahinda Rajapakse's tenure), growing domestic criticism of China-funded projects, and efforts by successive Sri Lankan governments to adopt a more balanced foreign policy created an opportunity for India to increase its engagement. Further, the emergence of Indian private sector giants—such as Adani and Reliance, with enough financial capacity to pursue external investments—has also shifted this dynamic. As a result, over the past five years, India has become more assertive in expressing its interests in Sri Lanka's ports. As mentioned before, this culminated in Sri Lanka granting the West Container Terminal (WCT) at the Colombo Port to a joint venture that includes the Adani Group (51%), a Sri Lankan conglomerate John Keells Holdings (34%), and the SLPA (15%) in 2020. The WCT aligns with the Indian government's goal of countering Chinese influence in the region, similar to its approach in Haifa, Israel, and Chabahar in Iran.[16]

It should also be noted that amidst India's rapid economic expansion over the next decade, its view of Sri Lankan ports, particularly Colombo, has shifted to one of strategic partnership rather than competition. While India is bolstering its own port capacity, for instance, the transhipment port in Vizhinjam Kerala, the question remains whether Indian ports alone can absorb the scale of India's burgeoning trade flows. Even if the share of India's transshipment channelled through Colombo may diminish as Indian ports expand, the total volume of Indian cargo passing through Colombo will likely rise, ensuring the port's continued relevance to India's transshipment needs.[17] Former Indian High Commissioner Y.K Sinha, speaking on the issue, said, "At the rate that India is going, it will need all the ports that it can use for transporting or receiving its cargo as part of its imports. I think the Colombo Port will play a vital role in India's global trade in the foreseeable future".[18]

Moreover, the Adani Group's involvement in both the WCT and the Vizhinjam port in Kerela indicates Adani's confidence in Colombo's continued relevance even after Vizhinjam is fully operational.[19] So, from India's perspective, the WCT represents a strategic win-win.[20]

Sri Lanka also seeks a win-win arrangement in handing the WCT to India. India's emergence as a supply chain hub in the region and its growing markets has prompted Sri Lanka to finally realise that it can no longer ignore connectivity with India. Sri Lanka's export-oriented growth ambitions include servicing Indian supply chains. So, the WCT could be seen as an attempt by Sri Lanka to woo Indian supply chains while at the same time pacifying Indian concerns over increasing Chinese presence in Sri Lanka.[21]

However, the above developments reflect a delicate position for Sri Lanka, where it must balance the interests of both China and India with the hope that it will meet its own economic ambitions. While keeping India happy is a crucial priority for Sri Lanka, as the island's economic aspirations are tied to India, China cannot be ignored entirely either. China is the largest trader in the world and will be so for decades to come. China also holds significant stakes in Sri Lanka's critical infrastructure investments and public debt. So, by engaging both nations, Sri Lanka seeks to secure the economic benefits of both parties while preserving its strategic autonomy without overcommitting to either side.[22] But the question is: will continuing this balancing act backfire?

3. KEY FINDINGS: IS SRI LANKA GAINING OR LOSING DUE TO THE BALANCING ACT?

Potentially Positive Scenarios for Sri Lanka

The following are some potentially positive outcomes for Sri Lanka in engaging with India and China for port investments.

1. Gaining from both Indian and Chinese partnerships to attract cargo

A transshipment port always benefits from more cargo. With India poised to be a future supply chain hub and as China persists as the world's largest trader, providing both nations with a stake in the Colombo Port could help Sri Lanka leverage cargo from both parties.

In addition, over 70% of the transshipment business from Colombo Port is linked to the Indian market, and much of it originates at other Adani port terminals in India.[23] While Indian companies would be happy to work with Chinese terminals as long as no other competitive alternative exists, they may prefer to work with an Indian-owned terminal if the prices are competitive.[24] Once the WCT becomes operational and as competitive as the Colombo International Container Terminal (CICT), Indian transshipment may shift from the Chinese-operated CICT to the WCT. This could also compel the CICT to attract more cargo from China and other regions, thus diversifying Colombo's portfolio.

2. Changing Indian perspectives through diversified port infrastructure allocation

Until the decision to allocate the WCT to India was finalised, India saw the Colombo port, particularly the Chinese-run CICT terminal, as a risky proposition.[25] This is because port ownership can influence trade risks, as ports can be used to disrupt a country's supply chains. As a result, being overly dependent on a Chinese terminal didn't bode well for Indian supply chain risks.[26] Chinese military vessels docking in the CICT back in 2014 did not help ease India's concerns either.[27]

As such, granting the WCT to India may shift its perception of Sri Lanka from that of a China-aligned competitor to a partner, paving the way for further Indian investments in logistics and related sectors. Furthermore, since Sri Lanka heavily depends on Indian transshipment cargo and its port expansion plans rely on capturing India's growing manufacturing capacity, it is in Sri Lanka's best interest not to be perceived as a threat to Indian trade. This way, rather than prompting India to think that it should try to bypass Sri Lankan ports, Sri Lanka is better poised to take advantage of the complementarities that its location provides for Indian trade ambitions.

Potential Risks for Sri Lanka from the Current Approach

This section briefly touches upon the potential risks in Sri Lanka's current approach to handing over port investments.

There are two critical flaws in Sri Lanka's current approach:

1. **Accepting unsolicited proposals exclusively from India and China:** Some of the port investments awarded to India and China—in particular the India-led WCT and the Chinese-led Colombo Port City—were awarded to the respective operators as unsolicited proposals, with no competitive bidding.[28] This means other players—including third countries like Japan and large multinational shipping lines—do not get to bid and engage in these investments.
2. **Lack of objective criteria in assessing port decisions:** The Cabinet is responsible for approving unsolicited proposals in Sri Lanka, which they do based on the recommendations of ad-hoc cabinet-appointed review committees. As a result, these decisions are made behind closed doors with little transparency over the criteria used to make the selections. The government also lacks proper legislation, such as a Public-Private Partnership Act, that could establish legally enforceable procedures and objective criteria for evaluating and approving such investments. For instance, these criteria could include project feasibility, asset pricing, the contracting operator's experience and competence, as well as geoeconomic factors like risk diversification and supply chain compatibility. The current practice of awarding one port investment to India while promising another to China (and vice versa) increasingly seems to be based on arbitrary considerations of balancing the interests of India and China rather than objective criteria aligned with Sri Lankan interests.[29]

These vulnerabilities could undermine Sri Lanka's economic and political objectives regarding its ports in the following ways:

a. Sri Lanka may undermine its opportunity to attract the most optimal investors:

The Colombo Port is an attractive investment proposition. It is the largest and busiest transshipment port in the Indian Ocean, handling 6.9 million TEUs in 2023 and operating at over 90% utilization since 2021. Strategically located, it is also an attractive asset for securing greater resilience in supply chains, a priority for many countries in the current trading environment. In such a context, the port has significant leverage to attract investors from anywhere in the world, not just India and China.

As such, foregoing competitive bidding and objective criteria to assess port investments may run the risk of Sri Lanka not being able to diversify its port operations, attract the most efficient operators, and negotiate for the most optimal terms and conditions to the greatest advantage of Sri Lanka.[30] For instance, Sri Lanka's current port investments have been awarded significant tax concessions. (See Annex 2) One might argue the Sri Lankan government would have had more leverage to reduce these concessions if more investors had been considered through a competitive bidding process rather than awarding these contracts as unsolicited proposals. In addition to the generous concessions, the contracts negotiated for some of the investments also feature restrictive clauses, further undermining competition and the potential for optimal investor participation in Sri Lanka. For instance, recent contracts have included exclusivity clauses preventing the Sri Lankan Government from "allowing any third party, outside the SLPA, to operate new facilities at the Colombo Port for seven years or until the port's total throughput exceeds 5.5 million TEUs over six consecutive months—whichever occurs first.".[31] The SLPA cited this clause as a reason why they couldn't accommodate recent expressions of interest by private players like Maersk and APM Terminals for operating the pending East Container Terminal (ECT).[32] Such a restriction limits the government's ability to engage with private investments for future port expansions at a time when the Colombo Port desperately needs more capacity.

b. Sri Lanka may risk a fractured Colombo port with greater exposure to geopolitical risks:

Cooperation and synergy between the different terminal operators are vital to operating a successful transshipment port. Transshipment requires cargo transfer between terminals within a port to achieve the best fit. The degree of cooperation between the terminals in carrying out this function is vital to increasing the port's overall attractiveness.[33] Given this backdrop—with heightened tensions between India and China over the past five years and India's past apprehensions against Chinese military vessels docking at the CICT—it is unclear to what extent an Indian and Chinese terminal would opt to cooperate in its port operations. Although tensions between India and China have eased in recent times, a lack of diversified terminal investments could leave the Colombo Port vulnerable should hostilities between the two nations intensify again.[34]

c. Sri Lanka may be compromising on supply chain compatibility, especially in its engagements with India:

Sri Lanka's export ambitions are tied to servicing Indian supply chains, and rising tensions between India and China may deter Indian investors from investing in infrastructure in Sri Lanka controlled by China, such as logistics parks and the Colombo Port City. The Port City, in particular, had hoped to rely heavily on Indian investments.[35]

Indian investors expressed the following concerns during key person interviews:

1. **Preferential Treatment:** Indian investors hesitate to invest in Chinese-controlled assets like SEZs and logistics parks because they fear Chinese firms might receive preferential treatment.
2. **Political Repercussions:** Indian investors fear that engaging with Chinese assets, which India deems to be dual-use infrastructure like ports and SEZs, could attract unwarranted attention and pushback from Indian authorities. While the Indian government has eased certain restrictions on Chinese investments within India to meet Indian needs for technology and expertise[36], it is unclear whether the same sentiment applies to India's willingness to engage with Chinese investments in a third country like Sri Lanka. According to experts, India may not be as forthcoming about Indian investments sustaining Chinese assets in third countries.[37] Such sentiments are observed in Nepal, where India's power purchasing policy prevents India and its companies from buying hydropower produced by Chinese-funded or Chinese-built plants in Nepal.[38]
3. **Privacy Concerns:** India has banned Chinese telecom equipment from its 5G infrastructure due to security and privacy concerns. The same concerns may exist with Chinese assets in third countries like Sri Lanka. India has also expressed concerns in recent years over Chinese-made port equipment, such as cranes and containers, potentially being used for tracking and spying.[39]

This means Sri Lanka's continued engagement with China on export infrastructure based on a balancing act consideration may limit its ability to engage with Indian supply chains.

In this context, broadening Sri Lanka's pool of investors and even actively engaging with third countries like Japan, South Korea, and the EU could help Sri Lanka mitigate India's concerns, as these countries may not pose the same strategic challenges to India as China would. For instance, Japan and India are already collaborating in countries like Bangladesh, such as in the Matarbari port complex.[40]

d. Closed-door decision-making perpetuates perceptions of an unfair investment climate:

As mentioned above, with unsolicited proposals, decisions are made behind closed doors with little transparency and clarity on criteria. As a result, there could be many opportunities for these decisions to be influenced by vested interests and corrupt practices. Such vague and arbitrary decision-making, especially in the context of investments like the Hambantota Port, has exposed Sri Lanka in the past to accusations of being overly influenced by Chinese interests, particularly making Sri Lanka the poster boy of narratives on "debt trap diplomacy."

The secrecy behind these decisions, especially the criteria being used, also creates room for speculation from the public and can provoke public agitation against projects. For instance, in January 2017, several people were injured in Hambantota during a protest against allowing China to build a port and industrial zone.[41]

As a result of unsolicited proposals, the Sri Lankan private sector also feels excluded from crucial investment opportunities in logistics. For instance, awarding CMPorts the South Asian

Logistics Centre without competitive bidding, the CEO of the Shippers Council at the time described the deal as "done and dusted," highlighting the lack of transparency and competition and availing of an opportunity for local companies or viable foreign investors including global shipping lines to invest in the project.[42]

Further, Sri Lanka's propensity to accept unsolicited proposals without adequate bidding signals an unfair investment climate, which may deter potential foreign investors. Investors will be concerned about the apparent favouritism towards India and China, which could damage relationships and investment opportunities in other sectors, as well.

Way Forward

Plans are in place to expand the Colombo port's total capacity to 25 million TEUs by 2040 from the existing 8 million TEUs. This means that Sri Lanka's approach to awarding upcoming port expansions, such as the West Container Terminal 2 (WCT2), Colombo North Port terminals, and related logistics parks and SEZs, is crucial for the future of the Colombo Port. As Sri Lanka has already placated Indian and Chinese interests in the Colombo Port, going forward, it must prioritise objective criteria like efficiency, supply chain compatibility, and risk diversification to evaluate port investments rather than arbitrary political interests.

To do so, Sri Lanka must prioritise the following:

1. **Establish a logistics policy that dictates the objective criteria needed for Sri Lanka's port investments**

Sri Lanka is one of the few logistics hubs that does not have a comprehensive logistics policy. The absence of such a policy has led to ad-hoc decisions influenced by the political party in power rather than a long-term vision of national economic interests.[43]

Establishing a long-term logistics policy that sets clear, objective criteria and priorities for port investments in line with Sri Lanka’s broader industrial and trade strategies will allow Sri Lankan negotiators to assert the nation’s interests more effectively and clarify what is at stake during investment negotiations. As a result, Sri Lanka’s overall bargaining position will be strengthened. Additionally, a robust policy framework would signal to larger countries Sri Lanka's strategic awareness (that Sri Lanka knows what it wants), providing a more apparent baseline for engagement.

Examples from South Korea and India show the importance of a robust institutional framework and consistent policy updates. Previous attempts by Sri Lanka to enact logistics policies, such as the 2019 National Policy for Maritime and Logistics Sectors, failed due to a lack of ownership and accountability. In such a context, a comprehensive policy coupled with a monitoring framework to assure policy implementation is essential.

Considering the broader geopolitical concerns and the need to diversify cargo sources, an example of one such criterion that Sri Lanka can enact in its logistics policy could be a limit on the extent to which a single country's investment would control the Colombo Port to ensure that no external entity holds excessive stakes over Sri Lanka's port infrastructure.

2. **Mandate competitive bidding for port investments to set the stage for the transparent assessment of objective criteria.**

By enforcing competitive bidding for all port investments rather than making decisions based on unsolicited proposals, Sri Lankan decision-makers can secure more information about the pricing, quality and feasibility of the different investor options available, which can help them make more informed decisions and extract more leverage in negotiations, as well. The competition that a bidding process entails will ensure value for money, and the transparency that a bidding process brings will reduce the room for influenced decision-making. It can also signal to investors that Sri Lanka has created a level playing field for all, which can help shore up perceptions of a fairer investment climate in Sri Lanka. This is not possible if the Sri Lankan government constantly resorts to unsolicited proposals.

4. CONCLUSION

In conclusion, while the Colombo port's strategic location and existing partnerships with India and China present avenues for growth, Sri Lanka's current approach of balancing competing interests without a clear, transparent framework risks undermining its long-term ambitions as a logistics hub. By relying on unsolicited proposals to award port investments and making decisions driven by short-term geo-political considerations, Sri Lanka may limit the opportunities to diversify its cargo sources, secure optimal commercial terms, and ensure the most efficient port operators invest in Colombo Port. Moreover, the secrecy and arbitrariness of current decision-making could damage perceptions of a fair investment climate and complicate relationships with other countries and investors.

To safeguard its interests and enhance its negotiating power, Sri Lanka must adopt a comprehensive, forward-looking logistics policy that prioritises objective criteria—efficiency, risk diversification, supply chain compatibility, and value for money—when awarding future projects. Sri Lanka must also mandate competitive bidding and clear evaluation standards when assessing port investments, which will not only improve transparency and credibility but also ensure that Sri Lanka retains strategic autonomy. By doing so, Sri Lanka can broaden its investor base, better withstand geopolitical shifts, and maintain its relevance within the region's evolving supply chains, ultimately strengthening its position as a leading logistics hub.

5. ENDNOTES

1) The term geoeconomics has become popular, but it lacks an agreed-upon definition. It is commonly understood as using economic tools to advance geopolitical objectives. Other definitions reverse the ends and means, emphasising how flexing geopolitical muscle is used to achieve economic results. Broadly, one can think of geoeconomics as the interplay of international economics, geopolitics, and strategy. (https://chathamhouse.org/2016/12/geoeconomics-explained)
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4. ANNEXES

Annexe 1: Profile of the foreign-owned and controlled port and logistics infrastructure in Colombo

Name	Type	Ownership	Status – Start to Operational	Period	Scale	Value
South Asia Gateway Terminals (SAGT)	Terminal	JKH (SL)/ APM (Netherlands) / SLPA (SL) /	1999	30 years - BOT	▪ 15 Meters Depth; 940	USD 240 Mn

		Evergreen 60% Sri Lankan Shareholding			Meters Quay; ▪ 3 berths; ▪ Capacity 2 Mn TEUs	
Colombo International Container Terminals Ltd (CICT)	Terminal	China Merchant Port (85%) /SLPA (SL) (15%) Initially Aitken Spence had a 30% stake which they sold in 2012 to CMP	2011- 2014	35 years - BOT	▪ 18 meters depth. ▪ 1,200 meter quay length; ▪ 4 berths ▪ Capacity: 3.2 Mn TEUs.– 40% of the total capacity of Colombo Port. It gave the Colombo Port the ability to take ULCC (Ultra Large Container Carrier) and VLCC (Very large Container Carrier)	USD 500 Mn
CHEC Port City Colombo (Pvt) Ltd	Special Economic Zone (services)	China Communications Construction Company (CCCC) / SLGOV	2014-2023	99 years	269 ha – 178 ha developable land (38% or 62 hectares are to be held by the SL Government.	USD 1.4 Bn for the land reclamation. USD 20 bn when completed
East Container Terminal	Terminal	Developer: China Harbour Engineering Corporation (CHEC) – Subsidiary of CCCC and	2019-Ongoing)	SLPA - Freehold	18 meter depth; 1,320-meter quay.	USD 475 Mn (Funded by the SLPA)

		Access Engineering (SL.) Operations: SLPA (SL)				
Colombo West International Terminal (Pvt) Ltd (Adani)	Terminal	Adani Ports & SEZ (51%)/ JKH (34%) (SL)/ SLPA (SL) (15%) Other parties: DFC USA (Lender) – USD 553 Mn (20-year loan)	2022-Ongoing	35 years - BOT	20 meters depth; 1,400-meter quay. Capacity 3.5 Mn TEU	USD 700 Mn
South Asia Commercial and Logistics Hub	Logistics Park	China Merchant Port (70%)/ Access Engineering (15%)/ SLPA (15%)	2023-Status Unclear	50 years - BOT	530,000- CBM of storage capacity. 5 mn square foot complex. South Asia's Largest Logistics Complex	USD 392 Mn
Adani Logistics Park	Logistics Park	Adani Ports / SLPA (SL) Terms to be negotiated	Under Negotiation	N/A	N/A	N/A

Source: Times of India; Ceylon Today; Xinhua Net; World Trade Scanner; The Diplomat; Economic Times; JICA

Annexe 2: Concessions given to port investments

Name of the Project	Foreign Stake	Date of BOI Agreement Signed	Exemptions/Concessions Granted				Total Investment	
			Corporate Income Tax	Tax on Dividends	PAYE	Import Taxes & VAT	USD Mn	% of foreign investment
CHEC Port City Colombo (Pvt) Ltd	China	11-Nov-13	25 yrs	26 yrs	10 yrs for 30 expats	8 yrs	1,104	100.00%
Hambantota Intl. Port Group (Pvt) Ltd/ Hambantota Intl. Port Services (Pvt) Ltd	China	8-Dec-17	25 yrs	26 yrs	07 yrs for 30 expats	7 yrs	1,120	100.00%
Colombo International Container Terminals Ltd	China	22-Sep-22	25 yrs	26 yrs	5 yrs for 20 expats	5 yrs	583	99.97%
Colombo West International Terminal (Pvt) Ltd	India	3-Feb-22	25 yrs	26 yrs	05 yrs for 20 expats	5 yrs	43	52.40%

Source: Board of Investment, Ministry of Finance

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