



Conversation between Founder and Patron
of Geopolitical Cartographer, President Ranil
Wickremesinghe, and the Carnegie
Endowment for International Peace and the
Sasakawa Peace Foundation

Good afternoon, everyone.

Thank you for coming back, and a very warm welcome to all of you in here in the room as well as watching us online. I have the distinct honour of introducing today our next speaker and our keynote address, President Ranil Wickramasinghe, President of the Democratic Socialist Republic of Sri Lanka.

The conversation will be moderated by Evan A. Feigenbaum, Senior Vice President for Policy Research at the Carnegie Endowment for International Peace. Vice President Feigenbaum was the ambassador to the Organization for Security and Cooperation in Europe from 2013 to 2017.

President Ranil Wickramasinghe was sworn in as the President of Sri Lanka on 21st of July 2022. He has been the Prime Minister of Sri Lanka on six different occasions. In May 2022, he accepted the invitation made by President Gautam B. Rajapaksa to be appointed the Prime Minister of Interim Government to extend his expertise and experience in mitigating the economic and political situation at that moment in the country. President Wickramasinghe is the leader of the United National Party, Sri Lanka's oldest political party, founded in 1946.

He is one of Sri Lanka's most senior and experienced legislators who has served the country as a member of parliament in all parliaments since 1977. On behalf of the Carnegie Endowment for International Peace and the Sasakawa Peace Foundation, President Wickramasinghe, it is again my absolute honour to introduce and welcome you today.

Ayubowan, the stage is yours, Mr. President. I wasn't sure if you were going to offer some opening remarks and so I didn't want to upstage you by showing up on stage before you were ready for me. But I'm happy to do it this way because it's a more relaxed environment. Thank you very much, Mr. President, for being with us. I know that everybody has been looking forward to hearing what you have to say. And as you know, we've been having an ongoing conversation over several years about thinking about islands, the islands in your part of the world, not as the objects of foreign policy, but as the subjects of foreign policy. And there's a huge difference between many of the islands. And Sri Lanka occupies a unique space because it has a population of 22 million people.

Obviously, you're working very hard on the economy right now. And so, it'd be nice to hear from you at the outset about how you see Sri Lanka's position looking out at the world and obviously the interest it has in engaging with the world as being unique in part because of its role as an island in the Indo-Pacific.

We've been engaging with the world for about 2,500 years, mainly because of our location. Sometime back, a person asked me whether I am, whether we are pro-Indian. So, I said, or pro-Chinese. So, I said, definitely I'm not pro-Indian. And added by saying I'm also not pro-Chinese. So, he asked me, then are you neutral? I said, no, I'm not neutral. I am pro-Sri Lankan. And that's what a lot of people don't understand. That today our priorities are not the same as that of the big powers and others in the region, whether it be the Indian Ocean or whether it be the South Pacific Islands, our priorities are different, economic, social, ecological. We are prepared to work with any actor, state or non-state actor who will help us to achieve these objectives.

So, we are working with the West on one side and we are working with China on the other. So, this is basically Sri Lanka and others, the South Pacific Islands are all in the same boat. So, I can explain to you if you want what exactly is happening. We feel that the Indo-US rivalry is something that started in the Western Pacific, in the structured area of Asia Pacific. And it still functions.

They all meet, you have an epic while it's going on. But now it's spread out both to the Indian Ocean and to South Pacific. Why are we getting pulled into it? It's difficult for us to understand. Of course, we are crucial. In fact, South Pacific and Indian Ocean are crucial strategically. West Pacific, yes, because of the supply chain line that goes along China from South China Sea on to East China and etc. But the heart of the US Naval Command is South Pacific. You establish your dominance by the Battle of the Coral Sea, Battle of Midway and the shooting down of Yamamoto's aircraft.

At the same time, what Churchill said was he was worried that if Sri Lanka was captured, they lose control of the Indian Ocean. So, we are strategic, but just because we are strategic, it doesn't mean that we are involved in any military alliances with China or anyone else.

So, it's in this background that we have to look at the geopolitics of our own islands. When you talk about Sri Lanka's position, kind of willing to work with both China and the US, if we reduce it to that right now, it could be understood as a kind of hedging back and forth to extract as much as possible. Is there something more sophisticated in this strategy? Sri Lanka never hedged back and forth to extract something from someone. We haven't. Throughout our island, we have to deal with all powers that come in. We may have played one against the other, but that's for our survival. In this case, we are not doing that either. So that's where it comes in. It's the inability to understand the nature of the Indian Ocean and the South Pacific, which is

creating this. None of the countries involved seem to understand what is our geopolitics and what do we do. You've talked several times about the different sub-regions in the Indo-Pacific, and even made mention of battles that happened 80 years ago now as defining a parameter. Lately in Washington, at least, there's an enormous focus on... The word Indo-Pacific has become a much more common term that is used in the last five years, last ten years.

And in some ways, you wonder whether a rose by any other name might smell as sweet. Would the Indo-Pacific be a strategic framework if it weren't labelled as that? Indo-Pacific is still an artificial framework. Because if you look at Auro, which applies here, it says the Indian Ocean comes out of the Indian Ocean rim and the waters therein.

So, it is this. Indo-Pacific, no one knows. For instance, for some people, Indo-Pacific ends on the western boundary of India. Others take it on to Africa. Some end up with Western Pacific. Others go to South Pacific.

Now what is this, India? I live there. What is this Indo-Pacific? I became Deputy Foreign Minister in 1977. I've seen all this. I have seen, I know this, I have seen China and US taking on India and Russia. Now I am seeing US and India taking on Russia and China. That's all that has happened. You are trying to find an excuse to bring all of us in. What do you think? I mean, I have gone, I have spoken with them, I have spoken with the 7th Command.

I knew how General Zia did everything. So that doesn't matter. So, all this is outside that. We can't talk anything. But since I am the oldest person here now, I can tell you. This is all. From fighting global rivalry with Soviet Union and India on one side,

China and America on the other side. That's where we all got hammered in between with wars and all. Now it has turned the other way around. So, China, US has gone with India and China with Russia.

How did Indo-Pacific come? It was that Indian Captain Kanna's first theory, you know, to intercept the Chinese ships on the Indian Ocean. From that, Mr Abe came. And otherwise, Mr Abe's statement of the confluence of two oceans. But it was nothing else.

It just came out of Captain Kanna's, I think, if you haven't got the book yet, but most of you know, Captain Kanna who said this is the way to intercept the Chinese supply line. That's all. All this has now been dressed up as Indo-Pacific and all. It's not. I mean, I will tell you, not only war, even later.

In the war, there were three basic units. You had the Admiral Nimitz in one part, Admiral Mountbatten on our part, and Chiang Kai-shek there. So, you have to bring them together. You can't bring them together just by saying Indo-Pacific.

So, granting for a moment that the term Indo-Pacific has caused some strategic gaps from people in Washington or maybe even in Beijing and elsewhere. You mentioned they are and I know Sri Lanka is about to take over the chairmanship next year. So, give me a sense of what a more strategic view is and how you're thinking about that chairmanship.

If I look at the developments there, that is taking place, there is the next round of rivalry going on and that's taking place in Asia. It's a question of China versus US. How are they going to divide the region of influence in Asia? Because it contains certainly, firstly, the South China Sea, it is Taiwan and then East China Sea. So that's it. It's within this that you're trying to work this out. But of course, even earlier, the US has been very particular about its base in East Asia. You know, in 1997, when Japan proposed the Asian IMF, US got hold of China and killed it.

So, it's a game that has been going on. This is more because it involves military power and a reach which Japan never had to go out there. But it's basically geopolitics and power politics. Our complaint is why the hell are you pulling us into it?

OK, I understand. I understand the criticism of US policy and Chinese policy. What's the affirmative agenda for Sri Lanka? When you sit in Colombo, what are you trying to accomplish in the region for Sri Lanka?

No, what we are trying to do in Sri Lanka is for the country to develop. Of course, we know that we are the main island, the strategic island in the ocean. That's to the east of us is the road, is the seaway to Singapore, to the west of it, the line up to Suez. So, there are the islands on this line, except Mauritius, which is on the Mozambique Canal. So, what we want to do is to develop and for the purpose of developing today, there are many, many options available. So, we are taking for now.

I mean, basically China has come up with its maritime silk route and there have been assistance given everywhere. Then India is now coming off its SAGAR. Before both of them, Japan still has the best network for foreign assistance. So, we want to use that and develop the country. That's all that we are trying to do.

I know that you've obviously recently signed a new agreement with the IMF as part of your effort to shore up the economy. And I wonder if you take a bigger view kind of over the next

three to five years. What do you think the international financial institutions, World Bank, IMF, can do to support the aspiration to both get the economy stabilized and also to invest in the way that you would like to invest in Sri Lanka's role in the region?

With IMF and others, we are doing far reaching economic restructuring, which should attract people there. And IMF has given us support. Of course, they give a growth rate of about three and a half percent. But we want to go ahead and ensure it goes to about five and a half to six. That's our own effort.

But there are other issues that are there which may not be connected to us, but the whole issue of the global debt and the low-income countries. I think that has to be resolved in the next few years. But that can have adverse impact even on Sri Lanka. But otherwise, we are looking at development. And the new one is we are talking with India of having a land bridge or land connectivity, either through a roll on roll off ferry or through some form of a bridge. So, Sri Lanka is looking out. With India, we are negotiating the comprehensive economic and technological partnership. We are also now applied to join the RCEP so that our markets become bigger. We have no military ambitions.

OK, I have several more questions, but I want to welcome the audience to use the QR codes that you have to submit questions. They will show up on my iPad here once you submit them. And that way we can take a few questions from the audience. And if you're watching online, please feel free to submit. They will also show up here. Can you say a little bit more about kind of the affirmative project economically? How you see what you're trying? What are your three priorities in terms of the economy right now?

Well, the economic reforms and certainly OK, shedding bankruptcy status. Within it, the lowest hanging fruit is tourism. Next is food security, modernizing agriculture. From there onwards, we'll work the rest out. OK.

You mentioned kind of Sri Lanka's uniqueness as an island, both geographically and partly because of its size. Many of the islands that are participating in this dialogue have a much smaller population. Do you see a role for Sri Lanka as a kind of group spokesperson at some stages for articulating the special interests of islands?

We will talk of that, articulate the special interests of the islands, but also the Indian Ocean. Sri Lanka is now taking over the chair of IORA. And we feel that IORA has to be strengthened

structurally. So, we will work on that. Secondly, is that the whole Indian Ocean is now going through sort of a new arrangement.

Firstly, is the COD. The COD is joining up, we found, with G7 and they are talking of bringing NATO in. Now AUKUS is against the IORA because IORA will not have military alliances in the Indian Ocean. AUKUS is a military alliance.

Secondly, this whole talk of bringing NATO in. As far as the Indian Ocean is concerned, we don't want any military activity. And I don't think the majority of the Indian Ocean states will want NATO anywhere close by.

France, yes, France has a stake in the Indian Ocean and Pacific, but others we would be. So, one is the question we have areas is whether the European powers would be brought in. Secondly, the Ukraine war has changed the situation because most countries haven't joined in the condemnation of the Ukraine war.

Secondly, the Western Asian region is benefiting from the war. I mean, if you look at the number of the Russian oil is getting, the refineries are using the Russian oil, Iranian oil. So, it's basically the Russian economy is running through West Asia. And that's keeping it going.

Thirdly, the emergence of a new power alignment in the Indian Ocean with the expansion of the BRICS. The BRICS had India and South Africa, and now they brought in Iran, they brought in UAE, which is the naval power. They brought in Saudi; they brought in Egypt. So now you're finding a counterbalance to the BRICS+.

Then what does India do? They are partly in the COD and they are partly in the BRICS. So, these are new issues that are coming up. It's becoming more complex now than the Pacific. So, this is just the beginning. I think it will play out. And Sri Lanka has taken over the chair at a very crucial time.

I think there are a number of people, myself included, who would challenge the proposition that the West is benefiting from Russia's war against Ukraine and would argue that actually Russia's war against Ukraine is costing everyone, including the two participants in that war, the aggressor and the victim. But I wonder how you see the kind of principles of international law that are at stake in that war as affecting Sri Lanka, if at all.

What are the principles of international law that are there in Ukraine?

Respect for international borders, which a majority of the UN member states have condemned the violation of borders by force against law. War crimes are part of international law and the use of war crimes as a tool of war by the Russian state is a violation of international law.

Russia has invaded Ukraine. There's no question about it. There are two parts of the IMO. One part we discussed. The issue is that, OK, this has taken place. But did Europe take sufficient steps to avoid this war because of the worry that two world wars started in Europe? Second one, Europe had to be bailed out by you all and the Russians and the rest of us in Asia and Africa. So why is it that they didn't resolve this issue? But outside what I am talking, there's another one which goes in which I haven't. OK, I have not said that, but it has force in it. They are saying you are talking about Ukraine. Why are you not talking about Palestine for 75 years?

That one is not for lack of trying by a number of parties. I'm only telling you what they are saying so you can argue with the people who put this forward. But that has also taken in some parts of Asia that view, especially on the Western Asian side.

But basically, it was not the time for anyone to go into fighting. The beneficiaries have been some of the Western Asian states, not Sri Lanka. The entire world is suffering for instance. We have all this thing. I'm not justifying it. I'm only saying one reason is that they are trying enough.

But more than that, everyone wants the war to come to an end. But what I'm saying is the Ukraine war has brought a new situation in that this has become the centre towards West Asia. Right or wrong, it has become a centre. Then you get the BRICS operating there. So, something new is coming up on the Western Indian Ocean. And with China's connections to that, it can change the picture.

You mentioned AUKUS, which isn't a formal alliance, but is an agreement between several powers. Do you think that there's any opportunity for, as you take on the chairmanship of IORA, any opportunity for dialogue between the participants in AUKUS and IORA to try to reconcile some of the tensions that you recognize?

AUKUS is a military alliance. From the time it came, we read every paper. It is a military alliance. It's moved against one country, China. What they forgot was that when they did AUKUS, they forgot that there was what was the IORA's agreement. The Jakarta Declaration. And also, the IOPZ resolution in the UN. But AUKUS falls into that category, in our view. Okay. Is there an opportunity for constructive dialogue? And secondly, I'm asking another

question. It's a military one. What is Britain going to do in the Pacific? Have they got any planes? What will happen if they come during wartime? Is that American aircrafts which can be used against, say, if you have to use it on China, will be spent on protecting the Prince of Wales or Queen Elizabeth? Without that, it will go down just like the original Prince of Wales. So actually, it's a disadvantage for you all. If they turn up for the simple reason, you will have to divert your planes, which can be used on an offensive role, into a defensive role. You will lose about 75 to 100 planes you get in there.

Okay. So, you think AUKUS is a strategic misstep by the participants in AUKUS?

I think it's a strategic misstep. I think they made a mistake. It's not for me to correct it. And basically, I don't think it was needed. It was really not needed in my view. I don't know what they have to say about the Pacific, but certainly not in the US, in the Indian Ocean.

And leaving that aside, I think it's a burden on the US. To put out your planes on a defensive role when it should have been put on to offensive role. That's all I have to say.

Let's turn to the BRICS expansion, the BRICS Plus. Yeah. I can see why that could be a story about a kind of emerging constellation of actors who could counterbalance in some way a G7 or something like that. But do you think there are any tensions built into this BRICS Plus idea?

I would say, getting on to the G7, I don't think it counts very much in my view. If you take the US out, what else is there?

There's a number of other advanced economies on research.

As an economic side, yes. Not military side.

No, I'm talking about the BRICS. The expansion of the BRICS, I have spoken to some of them. It is that they think this has been dominated too much by the G7 meeting was one reason. And by the COD. They feel they are this thing. They have a right. They are not going to give up their rights. Both India, Saudi Arabia and UAE are coming out as naval powers.

I'm going to turn to questions from the audience now. Chinese research vessels and spy ships visited Sri Lanka. And you've introduced a standard operating procedure for foreign vessels. How effective is this, given China's significant geoeconomic presence in Sri Lanka?

There are no spy ships in Sri Lanka. There is no. If anyone can establish it is a spy ship. There are research ships because we have the China Academy of Science has agreements with the National Aquatic Research Agency. And some of the universities. And under that only that

research ships have come in here. And the research ships have been coming in for the last 10 years. So, it's not an issue there. But as far as the ships are concerned, there was a question raised by one of the countries. Whether it can be used for spying. We don't know. I don't know that. So that's a standing operating procedure was set by the Sri Lankan Navy. Recently, we had discussions with India.

And we've now opted. We've taken on all the amendments. So, any ships that come in now, according to our operation procedure, which we have done together with India. So, I can't see any ship that's a threat coming in through that operating procedure.

OK. On climate change. Somebody asks for people who don't know much about how Sri Lanka's about Sri Lanka's climate related issues. What are the most important ways in which Indians and Americans and others around the world can act in support of Sri Lanka's clean ocean and green tech efforts?

No, we are discussing on that, especially with Europe and Korea, Japan and with US. It's the total we are bringing. We have brought out a climate prosperity plan. And we are working on to that. So, it's a question of how we go, we find the technical assistance. We will obviously and we are working to accelerate our date from 2050 to 2040. And there is a lot of involvement in these countries.

OK. You mentioned that tourism was part of the low hanging fruit in terms of economic development. Are there any reforms that you think are important to unlock that low hanging fruit?

There are. We are going through the restructuring.

You're talking about the debt restructuring or?

No, the reforms in the tourism sector. In the tourism sector. We are taking the state agency out and bringing the private sector to lead the markets and decide. We have given them the targets from two and a half million. We must go up to five million and we should earn at least 500 to 700 US dollars a night per person. So, it is complete upgrading. I don't think government agencies can do it. But private people, both Sri Lankans and outsiders are coming in. It will be a complete overhaul. It will be a sort of a new.

OK. Somebody asked the phrase rules-based order has made a frequent appearance in political statements. And obviously I recited a version of it just a few minutes ago. And in political

statements and declarations in the Indo-Pacific region. What does a rules-based order mean for Sri Lanka?

Sri Lanka rules-based order is an order that is based on the rules made by the Indian Ocean Rim Association. In the Indian Ocean. That's all.

And there's no global perspective. It is a regional first perspective from you.

We are certainly. The first one is the freedom of navigation. Secondly, this. You don't mind. I mean, I would favour a freedom of navigation agreement for the Indian Ocean only. But on two conditions. US must sign it. And China must sign it and abide by the decision of the tribunal.

That is what that is. So that's the that's the that is the dilemma we are faced. We have we have the law of the sea. And then we find it's not being observed fully. And we are not. We certainly are not the culprits. But we are willing.

We are willing to have one provided both US and China agree to the conditions. You probably know that former Secretary of State John Kerry has been an advocate of US accession to the law of the sea for many years. So, it's a good man. You would find a sympathetic ear in trying to figure out a way forward.

I want to I'm conscious that we don't have that much time left. And I want to ask two questions in closing. One is if you could observe. Offer an observation on what you think about the development of the US India relationship and what that means for Sri Lanka if anything. What's what do you expect out of that relationship in the next 10 years?

We could see the US India relationship moving closer. Gradually that's taking place. And both of them acting together. It's a matter for them to decide just as much as Pakistan wants to work with China. We've got to learn to live with all that, provided there is no threat to our independence.

And then the last question I wanted to ask was about. I mean, we've touched multiple times in this conversation about things that say, let's just say broadly, the West misunderstands about the region. And if you were to make if you were to offer an observation of two or three things that you think are most misunderstood about either Sri Lanka or the region, the IORA neighbourhood. What do you think is most misunderstood? What would come to conclusions?

Anything that we are having special deals with the Chinese? We are not. As you can see in this whole restructuring, we are working with the West and India. China has been staying out of it. No, it is. How does the Indian Ocean operate? What is our thinking that they're there?

That's one of the problems you are having with the Gulf states. It's not really Sri Lanka. Now, I give one example. We are going to take over the chair of the IORA. I mean, in my time that time that I have been president and one in the state department, everyone discuss the whole issue or discuss this matter with us.

With the US government, yes. Janet Yellen and all of us are talking on the debt restructuring. We are talking on so many other issues, even Défense, how our people are being trained, what has to be done. But you haven't had any engagement on IORA? No, they are not engaged with us.

I mean, why should I engage with them? If they are coming to my area? We have the deputy secretary of state speaking next, so maybe we'll make a point. Yes, no one has spoken to us. Has anyone spoken to you? No. Minister said no. So how can you understand us? You don't want to speak to us.

OK, so one misunderstanding is the assumption that there's some kind of deals going on with China. Another is that you would say that the West doesn't engage enough.

And we are really being affected badly. With the Hambantota, I mean, every day it's being put out. It's a Chinese military port. Sri Lanka is putting on with it. It's not the case. It's a commercial port. It's a commercial port run by China merchant. China merchant runs also part of the new southern port. India, Indians are running another part of another terminal in the southern port.

China merchants runs the terminal in the Hambantota harbor. Security lies there with the Sri Lanka Navy, which is situated there. We are building a new one. And we have a brigade stationed in Hambantota. So, if anyone wants to take over, they must bring a brigade and land in Hambantota.

OK. All right.

But every day we are attacked. On this someone said I thought when the conference comes, I'm going to ask them to go into this whole issue and decide whether it's a Chinese military base or whether it's a commercial hub.

So, if you could choose one thing to change about US policy in particular, what would it be?

Well, anyway, you all will decide that next year. So why should I do?

That would be the thing that you would choose. And I wait from outside. Are you I mean, quite seriously, are you are you in a do you feel yourself to be in a wait and see mode?

No, we will go ahead with this and let's see what happens. Remember, unlike the Pacific, the emergence of the BRICS Plus is a new development no one is thinking of. And Russia has also strengthened its relationships in that area. And then China and Russia brought Saudi and Syria together and Iran and Saudi together.

OK, you've been a very good sport, Mr. President.

I appreciate your being willing to jump back and forth through different subject matters and take some hard questions. We're delighted to have you here at the Islands Dialogue. And I think it's really important that Sri Lanka continues to play a leading role in being a voice for the region, because there are such unique challenges that can't be solved alone in the region and that need the voice of the region to guide engagement. So, thank you very much for your time today. Thank you for being here. And thank you for this conversation.

Keep an eye on the Indian Ocean.

You can count on it.