Sri Lanka and Japan: Emerging Partnership  
Chulanee Attanayake and Roshni Kapur

Executive Summary

Sri Lanka and Japan have maintained close bilateral relations for nearly 70 years. Diplomatic relations between the two were first established in 1952 shortly after the signing of the Peace Treaty following which missions were opened in Colombo and Tokyo. Over the years, their bilateral relations have evolved to include socio-cultural, donor-recipient and maritime cooperation. Japan was Sri Lanka’s primary bilateral donor before 2008 and also an important partner in its peace process. Although the post-conflict bilateral relations suffered a setback, it has been renewed in recent years as Japan evolves as a maritime partner for Sri Lanka.

This paper explores the different phases of Japan-Sri Lanka relations and concludes that the shifting dynamics is a result of the changing domestic interests of the two countries, along with geopolitical and geostrategic shifts in the Indian Ocean.

Introduction: A Friendship Built on Forgiveness

Japan and Sri Lanka are two island nations with a history of religious and cultural links. Although the two countries are distanced in terms of population size, geography, dominant cultural practices, socio-economic development and technological advancement, their mutual support during each other’s turbulent years has created a sense of closeness. They also share a common identity as maritime nations where the ocean is their immediate context and their primary means for trade, commerce and mode of transport.

The relations of the ‘modern’ period dates back to the 19th century where they were initially cultural bias in nature. After the decline of Buddhism in India, Sri Lanka became the centre of Buddhism in the global south. Thus, the common practice of Buddhism formed the bedrock for bilateral relations between the two countries. There were contacts between Buddhist organisations and visits by their representatives which enhanced people-to-people relations and cultural links. As such, cultural and religious orientation became a dominant aspect of their relations until the late 1970s.

Over time, Sri Lanka gained prominence in the Japanese circles for its production of tea and gems. Many Japanese who would venture to Europe to study their systems would make a stopover in Colombo. However, these engagements were sporadic in nature. It was after the Second World War in 1952 that the relations reached a formal diplomatic level. Sri Lanka was one of the nine Asian participants of the San Francisco Peace Conference held in 1951. The speech given by then Sri Lankan Finance Minister (later President) J R Jayawardene in support of Japan at the San Francisco Peace Conference cemented a strong friendship.
between the two countries. Quoting Lord Buddha’s teaching ‘hatred ceases not by hatred but by love’, Jayawardene urged other nations to forgo their demands for compensation and reparations and embrace Japan as a member of the international community. His moving speech drew attention to the close affinity and marked a new era in Japan-Sri Lanka relations. Then Japanese Prime Minister Yoshida Shigeru showed a deep appreciation for Sri Lanka’s support, which he expressed in a personal letter to Jayawardene. Moreover, Sri Lanka did not ask for any war reparation from Japan despite the damage it had suffered during the air raids in Trincomalee Harbour. Since then, Japan-Sri Lanka relations have evolved to include society, culture and economy.

**Socio-Cultural Relations**

The Japanese socio-cultural influence has entered the Sri Lankan consciousness through its culture, language and popular soap dramas. A Japanese garden that sits in the Sri Lanka’s administrative capital, Sri Jayawardenapura, is a symbol of this friendship. In 1993, a Japanese Cultural Fund was set up in Sri Lanka for the purpose of promoting cultural activities, strengthening people-to-people interaction and preserving traditional culture. The export of Japanese television has made gains in Sri Lanka as well. Many Japanese soap dramas that have been dubbed in Sinhala count among the favourite shows for locals.

Exposure of Japanese culture has sparked an interest among Sri Lankans to learn about its language, music and literature. The phonetics and word orders of Sinhala and Japanese are found to be similar. This could be a reason why Sri Lankans are not only keen to learn the language but manage to pick it up easily. Japanese literature is extremely popular in Sri Lanka and many famous novels have been translated into Sinhalese. The popularity of Japanese language education led to the induction of new courses. For instance, in 1978, the University of Kelaniya in Sri Lanka introduced a certificate course in Japanese language and later introduced a Bachelor’s degree in the same field in 1980. The Sabaragamuwa University commenced a Japanese Language programme in 1992 when it was only an affiliated university college. After gaining university status, it introduced two study

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programmes in 1995 – Japanese Language and the Japanese Studies program. In the same year, the Faculty of Graduate Studies of the University of Colombo introduced a Masters Study program in a similar subject. Moreover, the growing trade and economic relations between the two countries have incentivised Sri Lankans to learn Japanese as a tool for career advancement.

**Relationship Built on Converging Interests**

While religion and culture were the bedrock of diplomatic relations between Sri Lanka and Japan, the focus has changed from time to time. The nature of their relationship shifted as per the changing national interests of Japan and how those interests converged with that of Sri Lanka. Thus, Japan’s relationship with Sri Lanka has oriented within three key areas, i.e., as a donor, a peace negotiator and a maritime partner as per the converging interests of the two nations.

**Trade**

The first phase of relations focused on economic and trade ties. Soon after diplomatic relations were established, Sri Lanka observed Japan’s growth as a developed nation and turned towards Japan for assistance in its own development process. For Sri Lanka, Japan was an ideal market for its products, a source of foreign direct investment and technology and a source for official development assistance (ODA). As a result, Japan became an important trading partner of Sri Lanka. The total value of imports from Japan in 1977 was LKR421 million (S$3.18 million) and it rose to LKR4.3 billion (S$32.46 million) by 1980. Total exports from Sri Lanka in 1977 was LKR321 million (S$2.42 million) which increased to LKR552 million (S$4.17 million) over the same period. While Japanese imports varied from light industrial goods to heavy and chemical industry products and electronics, Sri Lankan exports comprised of precious and semi-precious stones, jewellery, tea, fresh seafood, rubber, coir products, and mineral sands. The dramatic increase in trade relations partly resulted from the 1977 trade liberalisation by Sri Lanka. By 1979, Japan overtook some of Sri Lanka’s traditional trading partners to become its second biggest. As of 2016, Japan made up for 3.8 per cent of Sri Lanka’s total trade, indicating the mutual interest to deepen trade ties. However, the trade balance has usually been in Japan’s favour.

<table>
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<tr>
<th><strong>Table 1: Sri Lanka’s Trade with Japan (US$ Million)</strong></th>
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<tr>
<td></td>
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<td><strong>Imports</strong></td>
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*Source: Multiple Reports, Central Bank of Sri Lanka*

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8 Ibid.
9 Ibid.
10 Wijayasiri (1996), op. cit, p. 166.
11 Ibid.
12 Ibid.
In 2015, the two countries decided to move towards a Comprehensive Partnership by focusing on three areas: promotion of investment and trade, cooperation on Sri Lanka’s national development plan and post-war reconciliation and peacebuilding. The Japanese government has also invested in some projects such as the Hilton hotel, the Colombo Dockyard and a cement factory by Tokyo Cement. In 1982, the Investment Protection Agreement was signed with the prospects of attracting greater Japanese investment. Many talks were held across Japan to explain the benefits for foreign investors in Sri Lanka. However, the scale of Japanese investment is much lower than expectations of Sri Lankans. The impressive level of millions of dollars in Japanese aid each year has raised hopes for similar contributions in the foreign investment realm. However, there are still no main Japanese business names amid international investors in Sri Lanka. This is even more surprising given that Sri Lanka was the first South Asian country to liberalise its economy in 1977. Countries like Singapore, Hong Kong and South Korea who invested in Sri Lanka much later already have bigger investments there than Japan. Singaporean companies such as Prima Group and BreadTalk have become household names in Sri Lanka. According to former Sri Lankan Ambassador, G Wijayasiri, one reason for the low-level of Japanese investment could be due to metanarratives and generalised perceptions of South Asia. He thinks that some Japanese investors may assume that the whole region is politically volatile riven with ethnic and political conflicts. This may not necessarily be the case given that Japanese companies have moderate levels of investment in other parts of the region especially in India and Bangladesh. Japanese investors who are highly risk averse may have been hesitant to invest in Sri Lanka when the civil war disrupted its security and stability.

**Official Aid**

Naturally, the trade partnership also consists of ODA and foreign direct investments, marking a significant improvement in economic and development relationship between the two countries. Over the years, Japan became the largest donor of Sri Lanka providing grants, concessionary loans, and technical assistance.

Japanese aid to Sri Lanka commenced in 1979 when Jayawardene paid an official visit to Tokyo. The visit paved way for a new chapter in the donor-recipient relationship where Tokyo pledged a grant aid package to Colombo in the form of hospital beds. At one time, Japan was even the biggest donor to Sri Lanka before China took over in 2008.

Currently, the Japan International Cooperation Agency (JICA) is the key development partner in Sri Lanka. Formed in 2003, the JICA focused on four key areas for Sri Lanka: increasing economic growth for the country, poverty eradication and regional development, enhancing living conditions of those residing in conflict-ridden areas and tackling disaster management and climate change. Two of the recent ongoing projects in which grants were given were the launch of a research and training complex at Jaffna University’s agricultural faculty and for the Maritime Safety Capability Improvement programme for Sri Lanka’s coast.

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guard. Japan has also provided low-interest loans called the Greater Colombo Urban Transport Development to Colombo. When the new coalition government in Sri Lanka was formed in 2015, it worked towards increasing Japanese assistance for post-war reconstruction and infrastructure development. In this aspect, Sri Lanka received low-interest loans for projects such as the Vavuniya-Kilinochchi Transmission Line and Rural Infrastructure Development Project in eastern areas.

Table 2: Official Aid to Sri Lanka from Japan (LKR Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Grants</th>
<th>Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>N/A</td>
<td>21655</td>
</tr>
<tr>
<td>2004</td>
<td>N/A</td>
<td>14254</td>
</tr>
<tr>
<td>2005</td>
<td>3,600</td>
<td>18918</td>
</tr>
<tr>
<td>2006</td>
<td>1,637</td>
<td>11120</td>
</tr>
<tr>
<td>2007</td>
<td>1,791</td>
<td>-577</td>
</tr>
<tr>
<td>2008</td>
<td>2,565</td>
<td>255</td>
</tr>
<tr>
<td>2009</td>
<td>2,084</td>
<td>3976</td>
</tr>
<tr>
<td>2010</td>
<td>3,600</td>
<td>10373</td>
</tr>
<tr>
<td>2011</td>
<td>1,570</td>
<td>12619</td>
</tr>
<tr>
<td>2012</td>
<td>2,181</td>
<td>14340</td>
</tr>
<tr>
<td>2013</td>
<td>958</td>
<td>6306</td>
</tr>
<tr>
<td>2014</td>
<td>1017</td>
<td>5,348</td>
</tr>
<tr>
<td>2015</td>
<td>N/A</td>
<td>-943</td>
</tr>
<tr>
<td>2016</td>
<td>N/A</td>
<td>-7312</td>
</tr>
<tr>
<td>2017</td>
<td>N/A</td>
<td>-5553</td>
</tr>
</tbody>
</table>

Source: Multiple Reports, Central Bank of Sri Lanka

Japan’s donor-recipient relationship with Sri Lanka is reflective of its passive and reactive nature where it has focused on a more emollient and soft diplomacy approach. It is also reflective of its focus on mercantilism and economics in building relations. Following its history of aggressive militarism and subsequent defeat in World War II, Japan needed to develop a non-assertive image in the world. Hence, apart from self-enforcing constitutional restrictions, Japan began its international relations through economic relations. As such, apart from promoting its culture, Japan used economic assistance as a means of soft power diplomacy.

Peace Negotiator

The second phase of relations has been in the peace and conflict paradigm. Japan’s passive diplomacy became evident after the Second World War ended where it decided not to get involved in international dispute settlements. Prior to the Gulf War in 1991, Japan’s diplomatic engagement was limited to ‘Checkbook diplomacy’ where it used its economic clout for political purposes. However such a strategy was criticised both domestically and internationally. It was pressured to engage more on international political issues and ended up showing greater interest in playing a more active role in the international arena. Tokyo

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16 Ibid.
contributed to the United Nations Peace Keeping Operations (UNPKO) in Cambodia and Timor-Leste and pursued a mediatory role in the dispute between China and the Philippines over the Spratly Islands. Following this new trend of playing a more active role in international affairs, Japan showed greater strategic engagement in promoting the values of peace and stability in Asian countries that were riven with ethnic violence and conflicts.

In Sri Lanka, Japan provided assistance for peacebuilding by supporting the peace process during the height of the civil war. Japan appointed former UN Under-Secretary General Yashushi Akashi as the Representative of the Peacebuilding, Rehabilitation and Reconstruction of Sri Lanka. In 2003, it also hosted the sixth round of the peace negotiations in Hakone and the Tokyo Conference on the Reconstruction and Development of Sri Lanka.

Japanese involvement in Sri Lanka’s peacebuilding process was at a time when Colombo was frantically exploring ways to find a sustainable and peaceful resolution to the protracted war. The conflict had reached a point where both sides were exhausted from fighting. After numerous failed peace talks negotiated by multiple parties over the years, the government concluded yet another ceasefire agreement with the Liberation Tigers of Tamil Eelam in February 2002. It was during the same time that then-Japanese Prime Minister Koizumi Junichiro declared that Japan has been promoting the approach of ‘consolidation of peace’ and ‘nation-building’. He proposed this idea in a speech he delivered in Sydney in May 2002. He explained how Japan is strengthening cooperation for the consolidation of peace and nation building in countries suffering from conflicts by providing an added pillar to the international system. Realising the importance of ‘dividends of peace’ in the peace process, Japan also extended development assistance to the country’s North-East after the conflict. As such, technical support and loans were provided for the area development.

This was Japan’s strategy of instrumenting its foreign policy through a more assertive role in the international system. In a situation where it was not in a position to resort to military power to exercise political influence due to its constitutional constraints, the ODA was Japan’s main foreign policy tool. However, it had to resort to alternative strategies in its political and foreign policy objectives when the economic slowdown occurred.

In this context, Japan found Sri Lanka an attractive partner for experimenting its peacebuilding diplomacy due to several reasons. First, the Japanese had goodwill towards Sri Lanka to reciprocate the support it received in the 1951 San Francisco Conference. Second, Japan did not have an imperial past in Sri Lanka and is viewed as an honest broker in Sri Lanka. It never colonised Sri Lanka and so it does not have any such baggage that it needs to deal with. Third, the common Buddhist identity and the scholarly thesis that the Tamil and Japanese languages share a common ancestry could have been another convincing reason.

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Sri Lanka and Japan in recent years have drawn attention to strengthening cooperation in maritime security, marking the third phase in their relations. Major developments in the maritime arena took place in 2018. The visit by Itsunori Onodera to Sri Lanka was the first ever by a Japanese Defence Minister to the country. The Japanese Maritime Self-Defense Force hosted a maritime exercise with the Sri Lankan Navy to deal with the perceived challenges in the Indian Ocean region. Tokyo’s biggest warship, the Kaga helicopter carrier, charted its way into Colombo harbour as part of a goodwill visit. These developments demonstrate Japan’s willingness and enthusiasm to reach out to its partner for a strategic alliance.

Both Sri Lanka and Japan have a vested interest in strengthening their maritime relations with each other. For Japan, its maritime interest in Sri Lanka is clearly due to the latter’s strategic location along the sea lanes of communication (SLOC). Scholars have noted that Sri Lanka is set to play a pivotal role in the Indian Ocean region. Over 60,000 ships that carry half of the world’s cargo pass through these sea lanes of communication that is close to the Sri Lankan coast. Since Japan relies on these sea lanes for the import of its energy requirements, it thinks it is a prudent move to strengthen maritime cooperation with Colombo.

Similarly, Sri Lanka has a strategic interest in greater maritime cooperation with Japan. Historically, the Indian Ocean region was an inclusive part of Sri Lanka’s strategic, political and security narratives. However, its focus on the Indian Ocean has fluctuated through the course of its history. Its consciousness declined when it took an inward orientation which gave greater visibility to its South Asian identity and its own imagination began to pivot towards the Indian hinterland. Of late, a new body of historical and sociological literature is replacing the Sri Lankan identity within a bigger Indian Ocean narrative. Sri Lanka’s pivot towards the Indian Ocean after the civil war is a quest to regain its ancient glory. Successive governments have made policy decisions for the ocean to take centre stage for greater economic development. For instance, the government adopted a policy to make Sri Lanka an air and naval hub in the Indian Ocean. This has been demonstrated through the hosting of the Indian Ocean Conference and Galle Dialogue, which Japan has actively been a part of.

Another emerging relationship is between Japan and India, as they have developed stronger defence ties through frequent maritime exercises and high-level political consultations between their maritime forces. India and Japan are engaged in closer coordination and consultations than ever. In 2017, the two countries launched the Asia-Africa Growth Corridor as a joint initiative to enhance connectivity between East Africa and Asia. India is an

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important defence and business partner for Japan for a stable balance of power in the Indo-Pacific. Tokyo is also seeking to securitise the SLOCs to safeguard its exports and energy supplies that pass through the Indian Ocean. Japan’s renewed attention on the Indian Ocean is also reflective of its ambitions to normalise its military and political environments. According to former journalist Robert Manning, Japanese leadership in the Indo-Pacific has been impressive through its maritime and security endeavours. Perhaps this explains why Abe has already made major changes to the country’s national security policies when he upgraded its defence agency into a cabinet-level ministry. He is also seeking to amend Article 9 of the constitution that will allow Tokyo to finally have a full-fledged military. Sri Lanka’s interest in its new Indian Ocean identity influences its maritime ties with Japan.

Geopolitical Competition

The geopolitics and regional balance of power is changing. The United States (US) as a security provider has declined during Barack Obama’s second term in office. There is now growing anxiety among the US’ allies that that they can no longer rely on Washington as a net security provider. They now want a new security framework that will meet their vested interests and reduce their dependency on the US. While the old security model placed the US at the center of attention, the new one is a network of multiple relationships among US allies and partner nations. One of the new frameworks emerging from this new security model is the Japan-India-Sri Lanka trilateral relationship in the Indian Ocean.

Tokyo’s pivot to the Indian Ocean is part of Japanese Prime Minister Shinzo Abe’s ‘free and open’ Indo-Pacific strategy which aims to strengthen the rule of law at sea, enhance freedom of navigation and infrastructure building in partner countries. Japan has pushed for maritime partnership with littoral states of the Indian Ocean including Sri Lanka. This is the third phase of relations where Tokyo has provided loans to Sri Lanka to expand the Trincomalee port into a much bigger trade port. Under the trilateral model, Japan has ensured that India remains a key partner in its activities in the Indian Ocean. It is cognisant that India considers the Indian Ocean its backyard and any new maritime project with Sri Lanka will need to rope in New Delhi as well.

Although a Japan-India-Sri Lanka trilateralism is still at a nascent stage, it can be strengthened to serve the interests of all three partners. As stated, Japan has been a well-wisher and consistent supporter of Sri Lanka throughout their bilateral relations. At the same time, Japan has a strategic reason to support India’s rise as a regional power. If Japan and India work together, they will be able to support Sri Lanka more effectively. One way of doing so is by setting up a maritime communication network system in Colombo that will help all three nations to keep track of the activities in the Indian Ocean. Another way of collaboration is by hosting dialogues and forums on maritime security. Such a platform will enable Japan and India to exchange information, recognise Sri Lanka’s needs and find a mode of cooperation or support.

**Conclusion**

The bilateral relationship between Japan and Sri Lanka is a noteworthy story that has only gotten stronger over time. Although the two countries have experienced different phases in their relationship, their initial phase of relations built on religious and cultural ties continues to grow strong. There is an ongoing interaction between Buddhist groups and temples between the two nations. In terms of foreign aid, the JICA is a key development partner of Sri Lanka. However, the scale of Japanese investment into Sri Lanka has the potential to increase.

Despite these shortcomings, the Japanese story in Sri Lanka is a product of its soft power initiatives. The country’s post-war pacifist and non-military identity was advocated to compensate for its military and defence role during the Second World War. Sri Lanka overtly
supported Japan at the San Francisco Peace Conference and Bandung Conference despite the collective resistance of other states. In reciprocity, Japan has provided aid grants to Sri Lanka. Its cultural and economic influence is part of its broader foreign policy to engage with the rest of the world. Moreover, Japan’s ideological similarity with the US has given it a comparative advantage compared to China.

As mentioned, Japan has been a prime supporter of Sri Lanka’s post-war development and reconstruction story. It now considers Colombo an important partner in the maritime and security paradigms. Between 2011 and 2015, vessels of the Japanese Maritime Self Defence Force visited Sri Lankan ports on 22 occasions. For Sri Lanka, Japan may help to maintain a balance of relations to counterbalance its relations with China. As the US’ influence as a net security provider decreases, new maritime frameworks are emerging in the Indo-Pacific. Both Sri Lanka and Japan have personal stakes to strengthen strategic relations with each other. New high-level engagements, maritime exercises and port visits by naval vessels are expected to take place with greater visibility and momentum this year.

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Dr Chulanee Attanayake is a Visiting Research Fellow at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore (NUS). She can be contacted at chulanee@nus.edu.sg. Ms Roshni Kapur is a Research Analyst at ISAS. She can be contacted at roshni@nus.edu.sg. The authors bear full responsibility for the facts cited and opinions expressed in this paper.

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