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ABSTRACT

The Chinese Initiative, One Belt One Road Strategy is the eclipse of modern day international economic cooperation. OBOR has already spread covering more than half of the world continents. The 21st Century Maritime Silk Road is the sea component of the initiative and Sri Lanka is already strategically positioned herself in the middle between East and West. Due to the strategic location, China has embedded Sri Lanka in to the Belt and Road Initiative and already invested billions of dollars in infrastructure development projects aiming foreign investments to Sri Lanka to link her to the 21st century maritime Silk Road. The Financial City Colombo, Hambantota Harbour development projects are the key implications, which runs the OBOR initiative in Sri Lanka so far. Further, the Industrial Zone and Free trade Zones developed in Hambantota and the linking Mattala International Airport with new Transport Sector developments are other key implications of the Belt and Road Initiative in Sri Lanka. Through these implications Sri Lanka future is promised with Foreign Direct Investments, Export Sector expansion, Free Trade Agreement opportunities, and Transport Sector developments fuelling rapid urbanisation. Although, in recent decades Sri Lanka has faced balance of payment crisis due to the gradual increase of foreign debt, decrease of exports, lack of infrastructure and opportunities for foreign direct investments over the years. Hence, the research was focused on the opportunities presented by the Belt and Road Initiatives to Sri Lanka and how the implications will impact on improving the Balance of Payment status of the country through improving aforesaid aspects. The philosophy of the research was Realism and in that the researcher followed the Direct Realism philosophy. Further, the research approach was Inductive Research approach using Case Study Strategy. Moreover, the Mono Method using Thematic Analysis Technique used to collect and analyse the qualitative data.

Key words: Belt and Road Initiative, Infrastructure development, foreign direct investments, Transport sector development, Free trade agreements, Balance of payment