

# The Daily News Line by Faraz



## KKS Port: A Missed Opportunity or a Strategic Gateway for Sri Lanka–India Relations?

Recent remarks by MP Bimal Rathnayake, suggesting that the development of the Kankesanthurai (KKS) Port should be deprioritised, overlook both the economic and strategic realities facing Sri Lanka today. Available data, feasibility assessments, and the operational success of the Nagapattinam–KKS passenger ferry all point to one conclusion — the KKS Port is not only viable but essential for building a sustainable bilateral partnership between India and Sri Lanka.

### Beyond Politics: The Economic Case for KKS

The Northern Province, and particularly Jaffna, remains one of Sri Lanka's most underutilised economic regions. A functional port at KKS can directly link northern producers — fisheries, agriculture, dairy, and Palmyra-based industries — to regional markets across the Palk Strait.

Early feasibility studies, supported by the Government of India's US\$61 million grant, show clear commercial potential. Even at conservative estimates, monthly cargo volumes could reach 2,000–5,000 tonnes, while passenger traffic through the existing high-speed ferry already ranges from 1,200 to 2,000 travellers per month, with the capacity to rise beyond 5,000 once daily operations resume.

These are not speculative figures — they are based on ongoing operations and logistical data collected by the Sri Lanka Ports Authority (SLPA) and supporting agencies. The demand already exists; what is missing is the political will to expand it.

### A Bridge, Not a Border

Strategically, KKS offers an opportunity for Sri Lanka to strengthen bilateral trade, tourism, and cultural exchange with southern India. The port's geographical proximity to Tamil Nadu reduces transportation time and cost compared with routing through Colombo. Businesses have estimated potential logistics savings of 20–40%, particularly for perishable goods such as fish, vegetables, and dairy products.



Moreover, a functioning northern port would ease congestion at Colombo, diversify national port infrastructure, and provide regional resilience against future disruptions — something both countries learned during the COVID-19 and fuel crisis periods.

### Community and Environmental Realities

Concerns about environmental impact and local displacement are valid, but these are already addressed through the Environmental Impact Assessment (EIA) and associated mitigation measures. Rejecting the project outright based on broad environmental

arguments is not a progressive approach. Instead, the focus should be on transparent implementation, community oversight, and ensuring local employment and fisher compensation within the development plan.

### A Missed Diplomatic Opportunity

KKS is more than a port — it is a potential symbol of reconciliation and partnership between Sri Lanka and India. For decades, northern communities have been excluded from major development initiatives. Reviving KKS means decentralising economic growth, integrating the Northern Province into the national economy, and opening direct people-to-people routes that strengthen trust and regional cooperation.

Abandoning or delaying the project sends the wrong signal — that Sri Lanka is willing to let political hesitation override economic pragmatism and regional opportunity.

### The Way Forward

Rather than dismissing the port's development, policymakers should:

1. Complete and publish the full feasibility and business plan, detailing demand forecasts and investment returns.
2. Phase operations — continue passenger and light cargo first, then expand to full commercial scale with dredging and warehousing upgrades.
3. Guarantee environmental safeguards and include local representation in monitoring committees.

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## French Prime Minister Sébastien Lecornu resigns after less than a month

France's Prime Minister Sébastien Lecornu has resigned, less than a day after his cabinet was unveiled.

The Elysée palace made the announcement after Lecornu met President Emmanuel Macron for an hour on Monday morning.

The shock move comes only 26 days Lecornu was appointed prime minister following the collapse of the previous government of François Bayrou.

Parties across the board in the National Assembly had fiercely criticised the composition of Lecornu's cabinet, which was largely unchanged from Bayrou's, and threatened to vote it down.

Several parties are now clamouring for early elections, with some calling for Macron to resign too - although he has always said he will not stand down before his term ends in 2027.

French politics has been highly unstable since July 2024, when snap parliamentary elections resulted in a hung parliament.



This has made it difficult for any prime minister to garner the necessary support to pass bills and the yearly budget.

Lecornu - the former armed forces minister and a Macron loyalist - was France's fifth prime minister in under two years.

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## Sri Lanka embarkation levies net Rs26.8bn, up 39-pct as foreign travel rises

Sri Lanka has earned 26 billion rupees from an embarkation levy on those travelling abroad up to June 2025, up from 19 billion rupees last year, as local and foreign international travel increased.

The number of Sri Lankans travelling abroad has increased as incomes recovered gradually from the collapse of the rupee from rate cuts and inflationary open market operations by macroeconomists to boost 'potential output'.

The currency collapse delayed a recovery from a Coronavirus pandemic. Tourism has also improved, bringing more revenues. A USD 60 embarkation levy is charged from Katunayake airport and lower fees from Jaffna.

Sri Lanka is also building a new terminal in Colombo as current facilities are operating above design levels.

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## KKS Port...

4. Facilitate bilateral coordination between Indian and Sri Lankan port authorities for efficient customs, ferry schedules, and trade protocols.

## Conclusion

Bimal Rathnayake's concern that KKS development is unnecessary or politically sensitive may reflect caution, but it contradicts the data and regional logic. The KKS Port is not an indulgence — it is a strategic necessity for the island's northern revival and a cornerstone of balanced India-Sri Lanka relations.

Ignoring this opportunity risks isolating the Northern Province yet again, while embracing it could transform Jaffna into the northern gateway of a new economic corridor — one built on trade, trust, and true regional cooperation.

## COLOMBO BEIRA TO KATUNAYAKE MAKES VIP MOVEMENT – SCHEDULED SERVICE AWAITS APPROVAL

Flights between Katunayake and Colombo resumed yesterday with the opening of a new water aerodrome at Beira Lake, an initiative aimed at expanding domestic aviation and strengthening tourism. A call to Cinnamon Air elicited the information that the company was waiting for formal approval from the Civil Aviation Authority and bookings will need to wait until that time.



Cinnamon Air, part of the John Keells Group, will operate the service. The inaugural flight, a Cessna 208, departed from Katunayake Airport and landed at the Cinnamon Lakeside Pier in Colombo. Among those on board were Ports and Civil Aviation Deputy Minister Janitha Ruwan Kodithuwakku, Tourism Deputy Minister Prof. Ruwan Ranasinghe, Civil Aviation Authority Chairman Sunil Jayaratne, and other officials.

"With this initiative, we aim to develop domestic air services and encourage more companies to expand operations to regional airports such as Palaly. The Government is committed to providing maximum

support for such ventures," Rathnayake said at the event.

The Civil Aviation Authority has said that feasibility studies are ongoing for additional landing sites, including Colombo Port City, along with plans to establish two heliports in the capital.

About 22 inland airports have now been cleared for domestic operations following inspections. The expansion, carried out in partnership with the Ministries of Tourism and Defence, is expected to further integrate aviation into Sri Lanka's tourism strategy.

## 'SLOWLY SLOWLY APPROACH DOES NOT APPEAL TO RASAMANICKAM AS HE SLAMS DISINTEREST BY NPP'

### MP Shanakiyan Rasamanickam

Illankai Tamil Arasu Kachchi (ITAK) MP Shanakiyan Rasamanickam yesterday accused the Government of neglecting critical economic infrastructure in the North, despite foreign donor grants being available to upgrade facilities such as the Palaly Airport and the Kankasanthurai (KKS) Port ferry service.



Rasamanickam questioned why Ports and Civil Aviation Minister Bimal Rathnayake has shown "no interest" in advancing the development of the Jaffna International Airport, even though land issues have been resolved and international partners have expressed readiness to support expansion.

He pointed out that Bandaranaike International Airport (BIA) in Katunayake has already reached peak capacity, with airlines cancelling weekly flights due to a shortage of slots.

"The Government has \$ 63 million in donor funding ready, yet the Palaly Airport remains underdeveloped. Why is the Minister refusing to answer questions about this?" Rasamanickam asked, warning that the neglect carries significant economic consequences, not just for the Northern Province, but for the entire country.

Regarding the KKS Port and its ferry link to Nagapattinam in India, the MP said the route connects Sri Lanka to a potential market of 2 billion people, but poor facilities undermine its potential.

"A video circulating on social media showed the low standards at KKS Port. If passengers have such experiences, they won't return, and it tarnishes Sri Lanka's international image," he noted.

Rasamanickam criticised the ruling NPP Government, saying one year into its tenure it has failed to put in place mechanisms to boost economic activities, focusing instead on symbolic openings and small-scale projects. "Refurbishing a bus station in Fort, opening a tap, or handing over bicycle tyres will not drive economic development," he remarked.

He also tied the issue to broader concerns over governance, saying Sri Lanka will face renewed scrutiny at the upcoming 60th session of the UN Human Rights Council (UNHRC), where stronger accountability mechanisms for economic crimes and misuse of public funds are expected to be discussed.

"The failure to deliver on promises of economic justice affects not just minorities in the North but the entire country. For youth across the North and South, the common aspiration is to leave for better opportunities abroad," Rasamanickam stressed, warning that continued inaction risks worsening inequality and eroding trust.

## CHINA'S EXIM BANK EXPECTED TO RESUME FUNDING FOR CENTRAL EXPRESSWAY PROJECT

Funding from China's Export-Import (Exim) Bank for Sri Lanka's long-delayed Central Expressway Project (CEP) is expected to resume by September or October, marking a potential breakthrough for one of the country's most ambitious infrastructure ventures.

Road Development Authority (RDA) Chairman T. Paskaran confirmed that discussions with the Chinese lender are progressing, following a suspension triggered by Sri Lanka's 2022 economic crisis. "Negotiations with the donor are currently ongoing, and there is a strong likelihood that funding could resume by September or October," Paskaran said.



The funding freeze was the main reason for the project's prolonged delays. Paskaran added that, in case of further setbacks in foreign disbursements, the Government is prepared to mobilise domestic funds as a contingency to ensure continuity.

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## Recognising Palestine As A State is A Start – The World Must Insist on Viable & Sustainable 2-State Solution

Recognizing Palestine as a state is not enough; the world must strive for a sustainable two-state solution to bring lasting peace to the Israeli-Palestinian conflict. Recently, countries like Norway, Ireland, and Spain have joined the growing list of nations recognizing Palestine, bringing the total to 147 countries, about 75% of UN members. However, recognition alone is not a panacea<sup>1</sup>.

### Is the Two-State Solution Still Viable?



#### The Need for a Two-State Solution

A two-state solution, with Israel and Palestine existing side by side, is widely regarded as the most viable option for peace. This solution acknowledges the right of both Israelis and Palestinians to self-determination, security, and sovereignty. The United Nations Secretary-General, António Guterres, emphasized that a two-state solution is the only way to avoid endless cycles of fear, hatred, and violence.

#### Challenges to the Two-State Solution

Despite its appeal, the two-state solution faces significant challenges. Israel's current government opposes Palestinian statehood, and the ongoing construction of settlements in the West Bank undermines the prospects of a contiguous Palestinian state. Moreover, the Palestinian leadership is divided, with Hamas and the Palestinian Authority holding different views on how to achieve statehood<sup>2,3</sup>.

#### A Confederation Model

Some experts propose a confederation model as a more practical approach to achieving peace. This model would allow for two distinct states, each with its own government and institutions, while promoting cooperation in areas like security, economy, and public health. A confederation would provide a framework for Israelis and Palestinians to work together, building trust and paving the way for a more sustainable peace<sup>4</sup>.

#### Key Elements of a Sustainable Two-State Solution

- Security: Both Israel and Palestine must have robust security arrangements to protect their citizens and borders.

- Territorial Contiguity: A Palestinian state must have contiguous territory, with minimal fragmentation and restrictions on movement.

- Economic Cooperation: Economic cooperation and joint projects can help build trust and foster economic growth.

- International Support: The international community must support the peace process, providing financial, diplomatic, and security assistance.

#### Conclusion

Recognizing Palestine as a state is an important step, but it is only the beginning. The world must work towards a sustainable two-state solution, one that addresses the legitimate concerns of both Israelis and Palestinians. This requires a commitment to negotiations, compromise, and cooperation. Without a genuine effort to achieve a two-state solution, the conflict will continue, and the suffering of both Israelis and Palestinians will persist.

The United States' expected recognition of Palestine is seen as a potential turning point, but its impact will depend on whether it leads to meaningful actions towards a two-state solution. The international community must push for a negotiated settlement, one that balances the rights and security concerns of both parties.

Ultimately, a sustainable two-state solution will require :

- Leadership: Strong and committed leadership from both Israel and Palestine.
- Compromise: A willingness to compromise on key issues, such as borders and security.
- International Support: Sustained support from the international community, including financial and diplomatic backing.

By working towards a two-state solution, the world can help bring an end to one of the most enduring conflicts of our time, and pave the way for a more peaceful and prosperous future for both Israelis and Palestinians.

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## China Exim Bank...

However, concerns have emerged from Parliament's Committee on Public Finance (CoPF) over the incomplete negotiations with both the contractor, Metallurgical Corporation of China (MCC), and China Exim Bank. Committee Chairman Dr. Harsha de Silva revealed that discussions on the contractor's claims and revised loan conditions for the reduced USD 500 million facility remain unfinished.

In a post on X, de Silva questioned the decision to alter the previous 15-year fixed loan rate of 2.5%

to a variable rate ranging between 2.5% and 3.5%. "We were puzzled why the Highways Ministry wants to switch from a fixed rate to a variable rate," he said, adding that the CoPF urged a fair and balanced arrangement that equally shares future interest rate movements between both parties.

Despite financing uncertainties, the Government has taken steps to advance construction. The Cabinet of Ministers recently approved the award of the Central Expressway Phase 3 spanning the vital Mirigama to Kurunegala stretch to Maga Engineering (Pvt) Ltd., following a competitive bidding process that selected the lowest responsive bidder.

The appointment of Maga Engineering represents a strategic shift toward involving reputable local firms in large-scale projects, with an emphasis on transparency and cost efficiency. Officials hope the move will curb cost overruns and accelerate completion timelines, crucial to meeting Sri Lanka's infrastructure goals.

Once completed, the Central Expressway is expected to serve as a critical transport artery linking Colombo to the central provinces, easing congestion on the A1 and A6 routes and reducing travel times significantly.

Analysts view the Cabinet's decision and renewed funding talks as a hopeful step in reviving a project long mired in financial and administrative delays, signalling a renewed commitment to deliver long-promised connectivity and economic growth.

## Shorts

US President Donald Trump has urged everyone involved in efforts to end the Gaza war to "move fast" as mediators are set to meet in Egypt today (6) for indirect peace talks between Hamas and Israel. US and Qatari mediators are also participating: Foreign Media.- Hirunews.lk

About 350 trekkers were guided to safety after being trapped by a severe snowstorm on the eastern side of Mount Everest in Tibet. Nearly 1,000 people were trapped in the snowstorm, with contact established with over 200 of the stranded individuals: Foreign Media.- Hirunews.lk

Police arrested a 60-year-old man who allegedly opened fire on a street in Sydney. Around 20 people were injured after between 50 to 100 shots were fired "indiscriminately" at passers-by over a 2-hour period: Foreign Media.- Hirunews.lk

French Prime Minister Sebastien Lecornu has resigned, after less than a month in office, becoming the shortest-serving prime minister of France since 1958: Foreign Media.- Hirunews.lk

Three women have died after being hit by a car whilst crossing the road, in the area of Doluwa, Gampola. The driver of the car was admitted to hospital: Police.- Hirunews.lk