


Debt Trap Diplomacy? A Case Study of China's Belt and Road Initiative Projects in Sri Lanka and Indonesia

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Article Info	ABSTRACT
Article history: Received January 3, 2026 Revised March 10, 2026 Accepted March 11, 2026 Published March 12, 2026	Purpose This study investigates the widespread concerns regarding China's purported debt-trap diplomacy, ostensibly concealed within Belt and Road Initiative projects across Asia. Method Adopting a qualitative methodology, it applies established International Relations theories to empirical evidence derived from case studies. Findings The central argument posits that China does not deliberately impose unsustainable debts on recipient states to acquire assets or extend military influence, as such strategies would undermine Beijing's foreign policy imperatives under President Xi Jinping's administration. Successful execution of BRI projects throughout Asia is essential for realizing these objectives, precluding the disruptions associated with project failures.
Keywords: China BRI; Sri Lanka; Indonesia; Debt-trap diplomacy; Economic cooperation;	Originality This study examines the complexities of Sri Lanka and Indonesia's experiences with China's Belt and Road Initiative, scrutinizing the extent to which domestic factors rather than Chinese malintent contribute to project setbacks and financial challenges from the lens of global business diplomacy perspective that combines economic statecraft and debt trap diplomacy.

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1. INTRODUCTION

Even though the US still holds the title of hegemony in the global order, China is undoubtedly quick to follow, having their influence and role growing (Breslin, 2013) This is especially true in Asia, as China is geographically close with the many countries within this region. In fact, ever since 2016, the Belt and Road Initiative (BRI) has been one of the main talks when it comes to the study of International Political Economy in Southeast Asia, a significant chunk of Asia (Tahalele et al., 2023) (Khanum

et.al.,2023). Initiated by President Xi Jinping in 2013, the Belt and Road Initiative represents a multifaceted strategy by China to enhance global connectivity and foster economic interdependence through extensive infrastructure development across various regions (Toruan, 2021). This initiative, encompassing both the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road," aims to establish a vast network of railways, highways, ports, and industrial parks, significantly impacting the economic landscapes of participating nations (Khanum et al., 2023).

While the United States maintains its status as a global hegemon, its influence is increasingly challenged by China's regional prominence, particularly in East and Southeast Asia (Smith et al., 2003). This shift is characterized by a "quest for hegemony," where China aims to return to its historical role as a superpower through initiatives like the BRI (Smith et al., 2003). This competition has led to a direct rivalry between China's BRI and Western frameworks, such as the U.S. "Free and Open Indo-Pacific" strategy and the "Partnership for Global Infrastructure and Investment" (Falevi & Pasha, 2024; Simonov, 2025).

Following series of China's economic reform by Deng Xiaoping that opened up the window of global trade to China, it has increased its overall presence in the Pacific(Garnaut et al., 2018). Recently, as part of Xi Jinping's foreign policy strategy, China has expressed their desire to have a major global trade line across the world with China at its center (Gao, 2018). The plan comes in the form of the establishment of One Belt One Road Initiative (OBOR, later changed to BRI) which plans to build series of infrastructure connecting Asia with other parts of the world, easing economic activities. More importantly, China has also funded many projects throughout the Asia like the high-speed rail in Indonesia and seaport in Sri Lanka which will be the focus of this study.

In Sri Lanka, they have partnered with China within the capacity of the BRI project to build their Hambantota Seaport. It was an ambitious project that would help boost Sri Lanka's economy as it strategically located and could potentially be a significant hub servicing South Asia and East Africa (Carrai, 2018). Located at the Southern part of the country, it is the second biggest seaport within Sri Lanka territory (Kavirathna et al., 2020). Sri Lanka struggled to find investors that are willing to help them build it, as only China came up with an offer(Liu & Liu, 2020). Ultimately, China helped Sri Lanka build the Hambantota port, even contributing as much as 85% of the first phase cost(Wibisono, 2019). The Hambantota Port project is often cited in discussions of "debt diplomacy" due to Sri Lanka's eventual default and the subsequent 99-year lease of the port to China (Wibisono, 2019). While Western critics often label this a deliberate "debt trap" designed to acquire strategic assets, recent scholarship suggests a more complex reality (Alden, 2020). Some findings indicate that Sri Lanka's economic collapse was driven more by domestic policy failures—such as unsustainable tax cuts and flawed agricultural reforms—than by Chinese lending alone (Akter et al., 2025).

Indonesia also saw partnership with China in their BRI projects, choosing to build its Jakarta-Bandung High-Speed railway. After winning the tender against Japan's offer, Beijing finally agreed to make the loan to be in the form of B2B scheme. The Indonesian Government established PT Kereta Cepat Indonesia China (PT KCIC) as their representative in the loan agreement with the China Development Bank (CDB). CDB helped fund around 75% of the project total cost (Negara & Suryadinata, 2018). The appointment of CDB from Beijing as the bank to lend the money to PT KCIC itself was quite interesting, as they usually channel fund through the Exim Bank, as was the case with Sri Lanka's BRI project. The CDB is usually used by China to fund their own national infrastructure projects such as the Pudong Airport. Scholars have even noted that the CDB's main role is to grant subsidized credit to infrastructure projects in undeveloped and underdeveloped areas in China such as its western part and to SOEs of strategic industries (Ru, 2017). The Jakarta-Bandung High-Speed Rail project is a primary example of BRI's impact in Southeast Asia, aimed at addressing infrastructure deficits (Putten & Petkova, 2021; Tiecheng et al., 2024). However, the project has faced significant challenges, including a cost overrun of approximately USD 2 billion beyond its initial \$5 billion estimate (Nabiilah & Sari, 2024; Prasetyo, 2024). Critics argue these issues highlight risks of debt dependency and potential "debt traps," while proponents view it as a strategic move for industrial modernization (Nabiilah & Sari, 2024; Tiecheng et al., 2024).

However, despite China's portrayal as a key benefactor through direct investments in these strategically located developing nations, it must be acknowledged that such initiatives are not without significant drawbacks. Chinese infrastructure projects in various Pacific states have frequently experienced substantial cost overruns, piquing scholarly interest in whether Beijing is engaging in debt-trap diplomacy (Nabiilah & Sari, 2024; Wibisono, 2019). For instance, Sri Lanka, a recipient of BRI-funded port development, has defaulted on its debts, precipitating economic turmoil and civil unrest (Akter et al., 2025). Similarly, Indonesia's Jakarta-Bandung high-speed rail project has encountered severe budget escalations, compelling the government to allocate national funds despite initial plans to avoid doing so (Nabiilah & Sari, 2024; Prasetyo, 2024). Moreover, these investments represent only one facet of China's broader strategy to project power in the region.

Aside from its economic initiatives, China has pursued more assertive geopolitical strategies in the region, most notably its expansive territorial claims in the South China Sea under the Nine-Dash Line (Falevi & Pasha, 2024). This body of water ranks among the world's most contested maritime domains, generating significant backlash from Southeast Asian claimants including the Philippines, Indonesia, and Vietnam amid ongoing patrols enforcing respective boundaries (Falevi & Pasha, 2024; Tiecheng et al., 2024). China advances these claims by invoking historical and cultural precedents, creating a duality in its regional posture: substantial infrastructure investments via the BRI juxtaposed against territorial disputes with the same neighbors (Smith et al., 2003). This contrast fuels scholarly debate on Beijing's intentions and prompts

neighboring states to calibrate responses balancing economic opportunities against strategic risks (Putten & Petkova, 2021).

This paper analyses the phenomenon of heightened concerns over China's alleged "debt trap" policy targeting Asian developing states, particularly through its Belt and Road Initiative projects. Contrary to popular narratives, this study argues that China is not deliberately implementing debt-trap diplomacy in Asia; rather, project setbacks in Sri Lanka's Hambantota Port and Indonesia's Jakarta-Bandung High-Speed Rail stem primarily from recipient countries' poor governance, debt management, and implementation flaws (Akter et al., 2025; Alden, 2020; Prasetyo, 2024). China never intended such outcomes, which have damaged its international reputation (Wibisono, 2019). This research addresses whether empirical evidence from these cases supports debt-trap claims amid mounting scholarly and media scrutiny, aiming to counter misinformation that could mislead foreign policy decisions.

The purpose is threefold: to uncover the intricate drivers of China's Asian expansion; to reveal the truths behind perceived BRI "failures" in Sri Lanka and Indonesia, attributing them to domestic mismanagement rather than predatory lending (Akter et al., 2025; Nabillah & Sari, 2024); and to guide how Asian states should perceive and respond to China's advances. Theoretically, it advances debates on China's regional expansion using economic statecraft theory, examining how states leverage economic tools for strategic goals without coercive intent (Blanchard & Ripsman, 2008).

Practically, it offers a foundation for recalibrating foreign policies in recipient states; enables Indonesia and Sri Lanka to learn from implementation errors in partnering with a major power (Putten & Petkova, 2021; Tiecheng et al., 2024); enhances scholarly understanding of China's expansionism; and builds expertise in researching evolving international phenomena.

This study examines the complexities of Sri Lanka and Indonesia's experiences with China's Belt and Road Initiative, scrutinizing the extent to which domestic factors rather than Chinese malintent contribute to project setbacks and financial challenges (Akter et al., 2025; Nabillah & Sari, 2024) from the lens of global business diplomacy perspective that combines economic statecraft and debt trap diplomacy. This study is part of global business diplomacy due to its focus on the interplay between international relations, economic policy, and corporate strategy in a globalized world, analyzing how states and businesses navigate complex geopolitical landscapes to achieve their objectives (Ferchen & Mattlin, 2023). Furthermore, it delves into the strategic implications of these dynamics for regional stability and the future of China's engagement with Global South nations (Prasetyo, 2024).

Economic Statecraft and Modes of Economic Influence

Economic statecraft refers to the strategic deployment of economic instruments such as sanctions, aid, and infrastructure investments like China's Belt and Road Initiative projects, to pursue foreign policy objectives beyond mere commercial gains (Blanchard

& Ripsman, 2008; Yan, 2020). It distinctly contrasts with economic diplomacy, which centers on advancing a state's economic interests through negotiation and trade, by subordinating economic tools to geopolitical ends (Blanchard & Ripsman, 2008). Blanchard and Ripsman outline three core theoretical lenses for economic statecraft: liberalism, which ties efficacy to the scale of incentives or penalties amid interdependence; realism, emphasizing security priorities over economic logic; and conditionalism, highlighting success dependent on political contexts like power asymmetries (Blanchard & Ripsman, 2008). These perspectives underscore the multifaceted nature of economic statecraft, where the strategic use of economic instruments is analyzed through differing theoretical prisms, revealing its complex interplay with international relations and political economy.

Liberals posit that the efficacy of foreign policy correlates with the magnitude of economic incentives or sanctions. Greater sanctions increase compliance likelihood, as do larger incentives, due to the interdependence fostered by economic cooperation, a cornerstone of liberal thought (Blanchard & Ripsman, 2008). Realists, conversely, contend that states prioritize political and security imperatives over economic gains, viewing the latter as insufficient to alter core strategic behaviors. They emphasize political calculations in economic statecraft, underscoring that security concerns dominate interstate relations (Blanchard & Ripsman, 2008). Conditionalists offer a middle path, arguing that economic tools succeed only under specific political conditions, such as favorable bilateral relations or military asymmetries. For instance, sanctions or incentives from a militarily superior state are more effective against a weaker counterpart (Blanchard & Ripsman, 2008).

Economic statecraft theory is apt for this study, as it has illuminated China's high-speed rail exports, including bureaucratic recentralization under the National Development and Reform Commission to expand regional influence (Yan, 2020). Peer-reviewed validation confirms its applicability (Yan, 2020).

Realism posits an anarchic international system where states rely on self-help, rendering international organizations ineffective. It complements economic statecraft by injecting political realism into ostensibly economic analyses. China's Belt and Road Initiative projects, though economically framed, are politically laden. Realism elucidates Beijing's expansionist drive in Asia—not as debt-trap coercion, but as a natural pursuit of influence amid U.S. rivalry (Axel et al., 2022; Falevi & Pasha, 2024). Debt-trap narratives undermine this strategy by damaging China's reputation and regional partnerships (Alden, 2020; Wibisono, 2019).

There are five modes of economic statecraft: ability to prevail, preference multiplication, persuasion, informal influence, and unanticipated influence (Blanchard & Ripsman, 2008; Ferchen & Mattlin, 2023). This analysis emphasizes preference multiplication and unanticipated influence in evaluating BRI projects in Sri Lanka and Indonesia.

Preference multiplication involves the use of cooperative economic measures that align recipient states' preferences with the initiator's foreign policy objectives (Blanchard & Ripsman, 2008; Ferchen & Mattlin, 2023). China's BRI exemplifies this mode by promoting mutual benefits, positioning Beijing as a regional hub akin to a revived Silk Road, enhancing infrastructure across Asia—home to over half the world's population—while elevating its image from adversary to collaborative partner (Chan, 2018; Gao, 2018).

Unanticipated influence refers to unintended consequences from large-scale projects, such as land acquisition issues, construction delays, and cost overruns in Hambantota Port (Akter et al., 2025; Wibisono, 2019) and Jakarta-Bandung High-Speed Rail (initially estimated at \$5 billion but exceeding by ~\$2 billion) (Nabiilah & Sari, 2024; Prasetyo, 2024; Tiecheng et al., 2024). These setbacks stem primarily from recipient governance flaws—like unsustainable domestic policies, project management lapses, and flawed reforms—rather than Chinese predation, as evidenced by analyses debunking debt-trap claims (Akter et al., 2025; Alden, 2020). Such risks highlight opportunities for recalibration through improved bilateral coordination (Ferchen & Mattlin, 2023).

2. METHOD

A qualitative approach is particularly well-suited for examining complex phenomena that require theoretical frameworks centered on meaning, interpretations, and contextual understanding (Ezzy, 2002). Quantitative data alone cannot adequately address whether China is practicing debt-trap diplomacy, as this demands explanations grounded in established International Relations theories and perspectives (Anderson et al., 2021). Given the political dimensions of international political economy involved in dissecting China's expansionism in Asia and its implications for neighboring states, a qualitative methodology is optimal (Nora, 2023). This research proceeds by reviewing published literature, exploring relevant concepts and theories such as economic statecraft (Blanchard & Ripsman, 2008) and realism and addressing the "why" and "how" questions central to the inquiry.

Data collection encompasses both qualitative and quantitative secondary sources to enable comprehensive analysis, including economic comparisons between case countries. Sources include peer-reviewed articles (Akter et al., 2025; Alden, 2020; Nabiilah & Sari, 2024), policy documents, official reports, and publicly available records on BRI projects in Sri Lanka (e.g., Hambantota Port (Wibisono, 2019)) and Indonesia (e.g., Jakarta-Bandung High-Speed Rail (Nabiilah & Sari, 2024; Prasetyo, 2024; Putten & Petkova, 2021; Tiecheng et al., 2024)). Data analysis follows a systematic reduction process, filtering and organizing information to retain essential elements for drawing conclusions, consistent with established qualitative practices (Ezzy, 2002).

This methodology facilitates a comparative case study of Sri Lanka and Indonesia, applying economic statecraft theory (Blanchard & Ripsman, 2008) to evaluate BRI

project outcomes against debt-trap claims. By focusing on governance, debt management, and implementation factors (Akter et al., 2025; Alden, 2020; Nabillah & Sari, 2024; Prasetyo, 2024), it tests the hypothesis that project setbacks result from recipient-side issues rather than predatory Chinese lending, providing robust evidence to inform policy responses.

3. RESULTS AND DISCUSSION

China Foreign Policy Directives

China's foreign policy under President Xi Jinping, who entered his third term following constitutional amendments that deviated from term limits established during Deng Xiaoping's reform era, reflects a revisionist agenda aimed at elevating Beijing's global standing (Axel et al., 2022). This approach starkly contrasts with the more passive posture of his predecessor, Hu Jintao, who prioritized domestic stability to ensure smooth integration into the global economy, thereby positioning China as an emerging power without aggressive external projection (Axel et al., 2022).

Hu's strategy, while enabling China's economic ascent, left it subordinate to U.S. dominance in political and economic spheres, preventing Beijing from challenging American hegemony (Falevi & Pasha, 2024). By focusing inwardly, China forfeited opportunities to assert regional leadership, a limitation Xi has addressed through the Belt and Road Initiative as the cornerstone of his ambitions (Blanchard & Ripsman, 2008; Yan, 2020).

Xi's directives seek to establish China as Asia's preeminent power—home to over half the world's population (Chan, 2018)—while projecting a non-threatening image to mitigate perceptions of hostility (Gao, 2018). This involves displacing rivals like the U.S. and Japan as primary lenders, fostering dependency through infrastructure investments that align recipient preferences with Beijing's objectives (preference multiplication) (Blanchard & Ripsman, 2008; Ferchen & Mattlin, 2023). Realism underpins this pursuit: in an anarchic system, states relentlessly maximize influence amid U.S. rivalry, exemplified by responses to initiatives like the Quad that exacerbate Beijing's security dilemma (Axel et al., 2022; Falevi & Pasha, 2024).

Central to this is image rehabilitation, framing BRI as a "win-win" partnership rather than coercion, distancing China from historical perceptions of expansionism (Gao, 2018). Unlike prior administrations that eschewed regional dominance, Xi's proactive stance counters securitization narratives, as seen in BRI's emphasis on mutual benefits (Ferchen & Mattlin, 2023).

Ultimately, Xi's foreign policy coalesces around two objectives: ascending to global hegemony, as realism predicts through perpetual power competition (Blanchard & Ripsman, 2008), and achieving this peacefully to cultivate partnerships. Economic statecraft, via BRI, operationalizes these goals, enabling influence without overt confrontation (Blanchard & Ripsman, 2008; Yan, 2020).

BRI Project in Sri Lanka: Mixed Unanticipated Influence

Research reveals mixed outcomes from China's engagement with Sri Lanka, particularly the Hambantota Port lease to China Merchants Port Holdings. While some literature portrays it as a debt-equity swap—exchanging \$1.3 billion in port debt (Ranasinghe, 2020) for \$1.1 billion in equity (Sirilal & Aneez, 2017) over 99 years, accompanied by 15,000 acres of land concessions—countervailing evidence refutes this narrative (Akter et al., 2025; Alden, 2020). For instance, no debt cancellation occurred; CMPort provided upfront capital to service Sri Lanka's broader foreign debts, not specifically Chinese loans, and the port was not collateralized under Eximbank terms (Akter et al., 2025). Sri Lanka's President Ranil Wickremesinghe affirmed the lease's role in bolstering foreign reserves amid economic distress (Ranasinghe, 2020). Even critics like Choudhury attribute the crisis primarily to Colombo's mismanagement, not Chinese predation (Wibisono, 2019).

This evidence supports the hypothesis: the port exemplifies China's economic statecraft rather than debt-trap diplomacy. Preference multiplication is evident, as Sri Lanka sought port expansion to leverage the Indian Ocean's trade routes pre-BRI, approaching multiple partners before aligning with Beijing's infrastructure goals (Blanchard & Ripsman, 2008; Ferchen & Mattlin, 2023). Mutual interests converged, with China positioning itself as a collaborative hub (Gao, 2018).

Unanticipated influence better explains setbacks, rooted in recipient-side flaws: chronic budget deficits averaging -7% of GDP, unsustainable borrowing, and corruption predating the project (Akter et al., 2025; Wibisono, 2019). Misinformation amplified debt-trap claims, damaging China's "win-win" image and prompting regional reevaluation of BRI partnerships—unforeseen costs to Xi's influence-maximization amid U.S. rivalry (Axel et al., 2022; Falevi & Pasha, 2024; Ferchen & Mattlin, 2023).

BRI Project in Indonesia: Aligned Preference Multiplication

Indonesia's government under President Joko Widodo actively pursued strategic infrastructure development, fulfilling campaign promises and addressing growing needs on Java Island to stimulate the local economy (Lim et al., 2020; Nath & Raganata, 2020). Analysts projected that the Jakarta-Bandung High-Speed Rail project would source a significant portion of construction materials locally, generating substantial job opportunities amid Indonesia's key employment challenges (Nath & Raganata, 2020).

As Indonesia sought external financing, China and Japan competed in bidding, with Jokowi ultimately favoring China's proposal for its flexibility in adopting a business-to-business (B2B) lending model (Kratz & Pavličević, 2018). Notably, a consortium of four Indonesian state-owned enterprises and six Chinese SOEs was formed to execute the megaproject, financed by the China Development Bank at USD 5.5 billion (75% from CDB), diverging from the typical Export-Import Bank model used in projects like Sri Lanka's Hambantota Port (Kratz & Pavličević, 2018; Putri & Ma'arif, 2019).

Construction revealed multiple setbacks, primarily recipient-side governance issues aligning with unanticipated influence. Land acquisition delays arose from escalating prices in Jakarta's developing outskirts, contributing to a USD 2 billion overrun (Burroughs, 2022; Nabiilah & Sari, 2024; Prasetyo, 2024; Suzuki & Kotani, 2017; Tiecheng et al., 2024). The Indonesian Air Force objected to land use at Halim Perdanakusuma Airbase, the planned Jakarta station, amid historical anti-communist sentiments fostering resistance to Chinese influence (Lim et al., 2020). The then-Minister of Transportation opposed the project, deeming the Jakarta-Bandung distance suboptimal for HSR, while debt-trap fears—fueled by Sri Lanka narratives—amplified public and scholarly concerns (Nabiilah & Sari, 2024; Wibisono, 2019). These domestic frictions, including executive-branch conflicts and military pushback, necessitated interventions from Indonesia's national budget, inflating perceptions of failure (Prasetyo, 2024; Tiecheng et al., 2024).

Yet, evidence refutes debt-trap diplomacy, framing the project as Chinese economic statecraft per preference multiplication and unanticipated influence models (Ferchen & Mattlin, 2023). Indonesia's pre-BRI infrastructure ambitions, including the Global Maritime Fulcrum, aligned with China's BRI goals to connect Asian cities, foster dependency, and project partnership—enabling Beijing to advance regional leadership without coercion (Blanchard & Ripsman, 2008; Ferchen & Mattlin, 2023; Mursitama & Ying, 2020). Unanticipated issues, such as land price surges and internal political incoherence—idiosyncratic to Indonesia and predating BRI—cannot be attributed to Chinese predation, as they stemmed from recipient flaws and hurt Beijing's "win-win" image more than advancing its interests (Akter et al., 2025; Alden, 2020; Yanwardhana, 2021). Had it succeeded, the project would exemplify Xi's directives: influence maximization amid U.S. rivalry via peaceful economic ties (Axel et al., 2022; Falevi & Pasha, 2024; Yan, 2020).

Comparing facts in Sri Lanka and Indonesia

A comparative analysis of the findings from Sri Lanka's Hambantota Port and Indonesia's Jakarta-Bandung High-Speed Rail—flagship projects under China's Belt and Road Initiative—demonstrates that Beijing is not pursuing debt-trap diplomacy in either instance. The table below elucidates how the two modes of economic statecraft, preference multiplication and unanticipated influence, effectively account for the observed dynamics in these cases. This comparative framework highlights how Beijing's approach consistently seeks to align with recipient countries' pre-existing development aspirations, while project challenges often stem from internal governance issues within the host nations rather than deliberate Chinese predatory lending practices (Nabiilah & Sari, 2024; Prasetyo, 2024; Tiecheng et al., 2024). Specifically, both cases reveal that recipient nations had established infrastructure priorities and actively sought external investment prior to formal BRI engagement, aligning with the preference multiplication model (Tritto, 2020).

Table 1 China's Deployment of Economic Statecraft in Sri Lanka and Indonesia

Economic Statecraft	Sri Lanka	Indonesia
Preference Multiplication	Sri Lanka sought to expand its infrastructure network, with China providing the necessary capital as a responsive partner. As their interests converged, Beijing committed substantial financing to Colombo.(Blanchard & Ripsman, 2008; Ferchen & Mattlin, 2023)	Indonesia sought to enhance inter-city connectivity through strategic infrastructure development, aligning with China's objectives to expand regional influence; consequently, Beijing provided financing as a responsive partner.(Ferchen & Mattlin, 2023; Kratz & Pavličević, 2018; Nath & Raganata, 2020)
Unanticipated Influence	Sri Lanka's chronic deficiencies in debt management necessitated leasing the operations of Hambantota Port to China Merchants Port Holdings(Liu & Liu, 2020; Wibisono, 2019). Nevertheless, this arrangement does not constitute debt-trap diplomacy, as the agreement involved no debt-equity swap (Akter et al., 2025). Sensationalized global media coverage has thereby misrepresented China's genuine objectives within the Belt and Road Initiative (Ferchen & Mattlin, 2023; Wibisono, 2019).	In Indonesia, substantial domestic opposition arose from key stakeholders—including the military and Ministry of Transportation—against Beijing's proposal, fueled by anti-Chinese sentiments and debt-trap fears (Lim et al., 2020; Nabiilah & Sari, 2024; Wibisono, 2019). Compounded by land acquisition delays due to surging prices, these challenges precipitated a USD 2 billion cost overrun, heightening public and scholarly concerns (Burroughs, 2022; Nabiilah & Sari, 2024; Prasetyo, 2024; Suzuki & Kotani, 2017; Tiecheng et al., 2024). This exemplifies unanticipated influence, wherein recipient-side obstacles undermined China's "win-win" objectives more than advancing them (Ferchen & Mattlin, 2023).

4. CONCLUSION

This study concludes that China does not engage in debt-trap diplomacy through its Belt and Road Initiative projects in Sri Lanka and Indonesia. Instead, the relative setbacks in both flagship initiatives—Hambantota Port and the Jakarta-Bandung High-Speed Rail—stem primarily from recipient-side governance deficiencies rather than deliberate Chinese strategies to ensnare states in unsustainable debt for asset seizure (Ferchen & Mattlin, 2023; Prasetyo, 2024; Tiecheng et al., 2024). Through the lens of preference multiplication, the pre-existing infrastructure ambitions of Sri Lanka and Indonesia converged with Beijing's objectives, incentivizing Chinese financing as a responsive form of economic statecraft (Blanchard & Ripsman, 2008; Ferchen & Mattlin, 2023; Kratz & Pavličević, 2018; Tritto, 2020).

Empirical evidence from these cases contradicts narratives of predatory intent. Far from engineering defaults to seize strategic assets, China's approach prioritizes peaceful ascent amid great-power competition, aligning with directives for "win-win" partnerships (Axel et al., 2022; Falevi & Pasha, 2024; Yan, 2020). Under the unanticipated influence model, Beijing has itself incurred reputational costs from endogenous challenges, such as Sri Lanka's absence of a debt-equity swap in the Hambantota lease—despite Colombo's chronic fiscal mismanagement necessitating operational concessions (Akter et al., 2025)—and Indonesia's land acquisition delays, regulatory hurdles, and cost overruns (USD 2 billion), which are emblematic of domestic infrastructure bottlenecks predating BRI involvement (Akter et al., 2025; Burroughs, 2022; Lim et al., 2020; Nabiilah & Sari, 2024; Suzuki & Kotani, 2017; Tiecheng et al., 2024; Wibisono, 2019). Notably, China's accommodation of Indonesia's business-to-business financing model further underscores its flexibility (Kratz & Pavličević, 2018; Nath & Raganata, 2020).

These outcomes contravene China's foreign policy imperatives, which emphasize dependable global partnerships to cultivate regional allegiance and counter U.S. influence, rather than coercive tactics that could alienate Asian states (Alden, 2020; Ferchen & Mattlin, 2023; Mursitama & Ying, 2020). While shared responsibility for fiscal oversight exists, the evidence precludes indicting Beijing for debt-trap diplomacy; the projects exemplify economic statecraft in pursuit of influence amid structural constraints (Blanchard & Ripsman, 2008; Ferchen & Mattlin, 2023). For future International Relations scholarship, this analysis offers a foundation for exploring BRI's long-term geopolitical ramifications, including prospective alignments in Asia and media's role in shaping perceptions of Chinese engagement.

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CONFLICT OF INTEREST

The author declares that no conflict of interests.

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