



China's Geopolitical Initiatives in Nepal

For Prelims: China's Geopolitical Initiatives in Nepal, China-Nepal Relations, [India-Nepal Relations](#), [Six-Month Economic Blockade of Nepal](#), [China's Belt and Road Initiative \(BRI\)](#).

For Mains: China's Geopolitical Initiatives in Nepal, its implications for India.

[Source: IE](#)

Why in News?

Recently, China and Nepal have signed 12 agreements to enhance Bilateral Cooperation in sectors including **trade, road connectivity, and information technology**.

What are the Agreements Signed between Nepal and China?

- The agreements include MoUs for:
 - Cooperation between The **National Planning Commission of Nepal** and China's National Development and Reform Commission
 - Enhancing digital economy corporation,
 - Cooperation on green and low-carbon development
 - Cooperation in the fields of agriculture, livestock and fisheries,
 - Cooperation in the field of science, technology and innovation; and in the field of Human Resources Development.
 - Mechanism to review the Nepal-China trade and payment agreement.
- They also signed **a protocol of phytosanitary requirements** for the export of plant-derived medicinal materials for Chinese medicine from Nepal to China.
- Nepal declined **China's invitation** to join China's [Global Security Initiative \(GSI\)](#), advocating that joint security is not in the interest of Nepal to maintain a strategic balance between India, China and the US.

How Have Been China Nepal Relations So Far?

- **Geopolitical Relations:**
 - Nepal has increasingly sought to balance its relations with its two giant neighbours, India and China, as part of its **foreign policy strategy**.
 - China's influence in Nepal has **grown significantly in recent years**, the almost **Six-Month Economic Blockade of Nepal** by India from September 2015 onward gave China a fast track into the country.
 - China intervened aggressively in Nepal's politics and played **a role in bringing the two communist parties**, Maoist Centre and Unified Marxist-Leninist together.
 - China has historical ties with the **communist movement in Nepal**, particularly with the **Communist Party of Nepal (Maoist Centre)**, which was involved in a **decade-long armed insurgency against the Nepalese state**. During this period, the Maoist movement received ideological, logistical, and even military

support from China.

▪ **Economic Cooperation:**

- Economic cooperation between China and Nepal has intensified, focusing on trade, investment, and infrastructure development.
- Key projects like cross-Himalayan railways, ports, and hydroelectric power plants are enhancing connectivity and contributing to Nepal's economic growth.
 - Nepal has expressed interest in [China's Belt and Road Initiative \(BRI\)](#), aiming to improve infrastructure connectivity and trade facilitation.

▪ **Security and Defense Cooperation:**

- China and Nepal have engaged in joint military exercises and increased defense cooperation, focusing on capacity building and military training.
- China has provided military aid to Nepal, further strengthening their defense ties.

▪ **Issue Between China and Nepal:**

- In its new map, **China refused to recognize a portion of land in Nepal's northwestern region**—an area that Nepal had claimed and depicted in its own map in 2020.

What are the Implications of China's Growing Presence in Nepal for India?

▪ **Security Concerns:**

- China's enhanced influence in **Nepal could potentially lead to strategic encirclement** for India, as it strengthens its presence in a country that shares a long border with India.
- This raises **security concerns** for India.

▪ **Access to Resources:**

- China's infrastructure projects and economic engagement in Nepal may compete with **Indian investments and economic interests**, affecting India's access to resources and markets in the region.

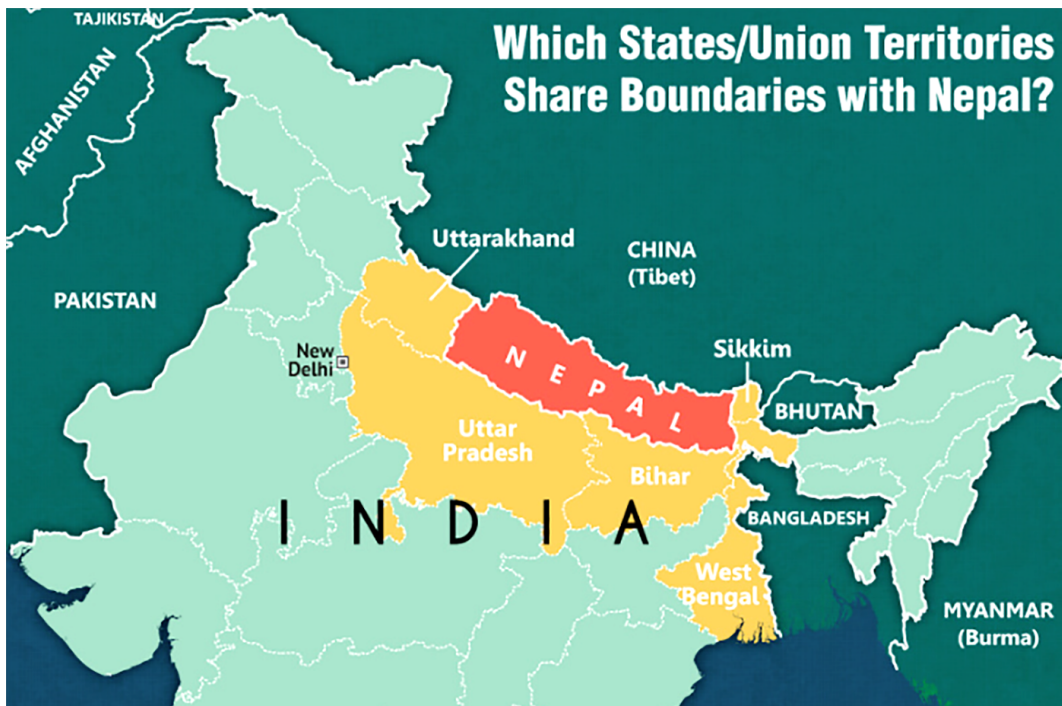
▪ **Belt and Road Initiative (BRI) and Connectivity:**

- Nepal's participation in China's BRI Initiative can result in a **significant increase in Chinese-backed infrastructure projects** and connectivity, which will increase Nepal's dependence on China for trade and consequently harm the interest of India.

▪ **Challenges in Regional Coordination:**

- Nepal's closer ties with China provide strategic depth to China in South Asia, potentially allowing China to project power and influence beyond its borders.
- China's deepening involvement in Nepal might make it more challenging for India to coordinate regional responses and initiatives effectively.

What is the Significance of Nepal for India?



▪ **Nepal's Strategic Importance:**

- **Nepal shares border with 5 Indian states-** Uttarakhand, Uttar Pradesh, West Bengal, Sikkim and Bihar. Hence an important point of cultural and economic exchange.
- Nepal is right in the middle of **India's 'Himalayan frontiers'**, and along with Bhutan, it acts as a **northern 'borderland' flank and acts as buffer states** against any possible aggression from China.

▪ **Defence Cooperation:**

- India has been assisting the **Nepal Army (NA)** in its modernisation by supplying equipment and providing training.
- The 'Indo-Nepal Battalion-level Joint Military Exercise **Surya Kiran'** is conducted alternately in India and in Nepal.
 - Also, Currently, **about 32,000 Gorkha Soldiers** from Nepal are serving in the Indian Army.

▪ **Economic Cooperation:**

- India is the largest trading partner of Nepal. Nepal is also India's 11th largest export destination.
- Indian firms are among the largest investors in Nepal, accounting for more than 30% of the total approved **foreign direct investments.**

▪ **Treaty of Peace and Friendship of 1950:**

- The treaty talks about the **reciprocal treatment of Indian and Nepali citizens** in the two countries, in residence, property, business and movement.

▪ **Power Sector Cooperation:**

- In June 2023 India and Nepal signed a long-term **Power Trade Agreement**, targeting the import of 10,000 MW of electricity from Nepal in the coming years.
- Memoranda of Understanding (MoUs) were signed between **National Hydroelectric Power Corporation (NHPC)**, India and Vidyut Utpadan Company Ltd, Nepal for the development of the **Phukot Karnali Hydroelectric Project and the Lower Arun Hydroelectric Project.**

Way Forward

- To mitigate the challenges, India needs **to engage proactively with Nepal**, enhance development assistance, strengthen economic ties, and foster people-to-people relations.
- Additionally, India must work on multilateral initiatives and regional cooperation to counterbalance

- the expanding Chinese influence in Nepal and ensure stability and prosperity in the region.
- Diplomacy, dialogue, and collaboration will be crucial in managing these challenges effectively.

UPSC Civil Services Examination Previous Year Question (PYQ)

Q. Consider the following pairs: (2016)

Community sometimes In the affairs of mentioned in the news

1. Kurd — Bangladesh
2. Madhesi — Nepal
3. Rohingya — Myanmar

Which of the pairs given above is/are correctly matched?

- (a) 1 and 2
- (b) 2 only
- (c) 2 and 3
- (d) 3 only

Ans: (c)

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