

# Chinese president visits Nepal as tensions with the US sharpen

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Chinese President Xi Jinping made a two-day visit to Nepal on October 12 and 13—the first such tour since former Chinese President Jiang Zemin travelled to Kathmandu in 1996.

Xi's visit underscores the growing geopolitical rivalry between China and the US throughout the Indo-Pacific region as Washington seeks to maintain its global hegemony and undermine Beijing's economic and political influence in Asia.

In Nepal, Xi met Prime Minister K. P. Sharma Oli and President Bidya Devi Bandari as well as Pushpa Kamal Dahal, co-chairman of the newly amalgamated Stalinist Nepal Communist Party.

Underscoring the importance of Nepal to China, Xi declared that “China and Nepal are bound by mountains and rivers, and stay as close as lips and teeth.” He promised \$US493 million in aid for 2020-2022 to “uplift the living standard of Nepali people”.

Xi was in Nepal after his visit to India where he met with Indian Prime Minister Narendra Modi. Indian foreign secretary Vijay Gokhale told the media that the two leaders discussed “terrorism and radicalisation” and trade issues but issued no joint statement, underlining the continuing rivalry and distrust between the two regional powers.

In Nepal, however, China signed 20 agreements, including related to infrastructure, port, energy, and tourism. The most critical was an agreement to conduct a feasibility study for an ambitious Chinese-built railway to Nepal through the Himalayan mountains.

The proposed cross-border railway covering 70 kilometres of extremely inhospitable terrain, would connect Kerang in the Chinese region of Tibet with Nepal's capital, Kathmandu, and would pave the way for closer political and economic relations.

Xi declared that the link would help Kathmandu “realise its dream of becoming a land-linked country from a landlocked one.” Nepal has been heavily dependent on India for its connections to the world, but growing frictions between the two countries have driven sections of the Nepali ruling elite to look to Beijing to break New Delhi's monopoly.

Nepal's relations with India took a downward turn in 2015 when the Modi government used the agitation by ethnic Madhesi in the southern Terai region of Nepal for greater autonomy, and imposed a five-month fuel blockade.

A proposal for China and Nepal to sign an extradition treaty, mainly targeting Tibetan dissidents, was dropped because it could draw international and domestic opposition. However, Nepal accepted that “Tibetan matters” are China's internal affairs and promised not to allow “any anti-China activities on its soil.”

Nepali authorities are helping the Beijing law enforcement agencies in tracking and deporting Tibetan dissidents. There are around 20,000 Tibetan refugees living in Nepal, including 9,000 in the capital who are banned from criticizing China or showing support for the Dalai Lama.

Xi warned: “[A]nyone attempting to split China in any part of the country will end in crushed bodies and shattered bones.” Given that he was speaking in Nepal, the message was clearly directed against Tibetan dissidents in particular, as well as protesters in Hong Kong and separatist movements elsewhere in China.

China and Nepal also agreed to expand the security cooperation between the two countries. Four of the signed documents related to law enforcement, including on border management, the supply of border security equipment, mutual legal assistance, and collaboration

between Nepal's Attorney General and China's Prosecutor General.

Nepal has already joined China's Internet service, ending India's monopoly on cyber connectivity in the country. Though New Delhi is still Kathmandu's largest trading partner, Beijing is investing heavily in Nepal. Kathmandu recently signed a transit treaty with Beijing to use Chinese ports for its foreign trade, so as to reduce dependence on Indian ports.

Kathmandu is a partner of China's Road and Belt Initiative (BRI) designed by Beijing to counter the aggressive encirclement pursued by the US and its allies and to open up trade and investment opportunities. This program involves up to \$1.4 trillion in rail and road infrastructure to create a rapid-transit route overland from China across Russia, Central Asia, and the Middle East to Europe and seen by Kathmandu as a big opportunity.

As part of strengthening military relations between the two countries, Nepalese army chief General Purna Chandra Thapa visited China in June for a week-long visit. The two countries have already held two military exercises, the second one last September, after Nepal withdrew from joint military exercises in India at the last minute.

New Delhi, which considers Nepal as its backyard, is concerned about its relations with its strategic rival China. The Indian government has been attempting to repair the damaged relations caused by the 2015 economic blockade on Nepal.

Last August Indian Prime Minister Narendra Modi visited Kathmandu and signed several agreements providing financial assistance. This August Indian External Affairs Minister S Jaishankar visited Nepal to co-chair the fifth meeting of the Nepal-India Joint Commission with Nepal Foreign Minister Pradeep Kumar Gyawali. India also handed over two cheques totalling 3.74 billion rupees [\$US53 million].

New Delhi also agreed to funding a 3.24 billion rupee oil pipeline with Kathmandu. This project, with annual capacity of 2 million metric tonnes, was opened on September 10.

China's main concern with India is its strategic partnership with the US which is directed mainly against Beijing and aimed at securing Washington's dominance in the Indo-Pacific Region. India has signed agreements with the US to open its bases to the US

military, and holds joint military exercises with US and its allies including Japan and Australia.

The Indo-Pacific Strategy Report (IPSR) published in June by the US Department of Defence spelled out Washington's interest in Nepal. It stated that in South Asia, the Pentagon is "working to operationalise our Major Defence Partnership with India" and "pursuing emerging partnerships with Sri Lanka, the Maldives, Bangladesh, and Nepal."

A statement issued after Chinese foreign minister Wang Yi held discussions with Nepal Communist Party Co-Chairman Pushpa Kamal Dahal in early September declared that the Kathmandu government "disapproves of the so-called US 'Indo-Pacific strategy'."

Dahal led the Communist Party of Nepal (Maoist Centre) until it amalgamated with its electoral ally, the Communist Party of Nepal (Unified Marxist-Leninist) in May 2018. The Maoists conducted a guerilla war for more than a decade before exchanging their weapons for parliamentary seats in a deal brokered by India in 2006. They have been instrumental in propping up bourgeois rule in Nepal for more than a decade.

The ruling elites in Kathmandu are trying to balance between US, China and India amid growing geopolitical tensions and the threat of war. Nevertheless, Nepal, which is strategically located in the underbelly of China, is being inexorably drawn into this maelstrom.



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