

Nepal leader visits New Delhi as China and India compete for influence in South Asia

Rohantha De Silva
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Nepalese Prime Minister Pushpa Kamal Dahal, who leads the Communist Party of Nepal (Maoist Centre), made a four-day official trip to India starting on May 31 at the invitation of its Prime Minister Narendra Modi. Also known as Prachanda, it was his first visit since he was sworn in as prime minister in December 2022.

The trip occurred as the US, India's strategic partner, increases its military preparations for war against China. The rising geopolitical tensions have added a new dimension to the struggle between New Delhi and Beijing for influence in Nepal, which is sandwiched between China and India. The tiny landlocked country shares a border with Tibet, which is regarded by Washington as China's "soft underbelly."

Dahal, who was accompanied by ministers, secretaries and senior government officials, held talks with India's National Security Advisor Ajit Doval and met Indian President Droupadi Murmu. He also addressed a business summit organised by the Federation of Nepalese Chambers of Commerce and Industry and the Confederation of Indian Industry.

Keen to enhance the Nepal-India relationship, Prime Minister Modi told a joint press conference about his trip to Nepal in 2014, shortly after he took office.

"I had given a 'HIT' formula for India-Nepal relations—Highways, I-ways, and Trans-ways. I said we will establish such contacts that our borders do not become barriers. Today, the Nepal PM and I have taken many important decisions to make our partnership a super HIT," he said. They would "continue to strive to take India-Nepal ties to Himalayan heights."

During his tenure as prime minister in 2008, Dahal first visited Beijing, deviating from previously established norms where Nepali prime ministers usually made their first foreign trip to New Delhi. This time, however, he visited India, in an attempt to reassure India and the US.

Dahal said that he and Modi agreed to measures to

strengthen bilateral relations and "jointly launched many ground-breaking projects." They initiated six projects and signed seven agreements, including new train connections and a long-term deal to strengthen each country's electricity-generating sector.

The Transit Treaty was updated, giving Nepal access to India's inland waterways for the first time. They also did a virtual opening at border points—Rupaidiha in India and Nepalgunj in Nepal—of integrated checkpoints and signalled the departure of a cargo train from Bihar to Nepal.

Nepal is working to develop its hydroelectricity industry, which has the potential to generate more than 42,000 megawatts of power. Kathmandu hopes this will ease domestic power shortages and boost its crisis-ridden economy by giving it the capacity to sell extra electricity to India and Bangladesh.

India has already built multiple hydroelectric ventures in Nepal. As part of its efforts to control Chinese involvement in the region, India will only purchase electricity from countries that have a bilateral agreement on cooperation in the power industry. This means that Indian companies cannot purchase electricity from Nepal if it is tied to Chinese investment or engagement, whether in the form of equipment, people or subcontractors.

As a result, Nepal has awarded four hydropower contracts to Indian companies and barred Chinese developers from participating in six hydropower projects. Two of the plants granted to Indian corporations were originally awarded to Chinese companies.

The Himalayas provide a natural barrier between Nepal and China. The best route from Nepal to the outside world is thus through India. New Delhi uses this to further its economic and political objectives and to pressure Kathmandu. At the same time, China plans to break Nepal's geographic isolation and establish a rail link from

Kerung, a city in southern Tibet, to Kathmandu.

With two more airports built in Nepal in recent years, Kathmandu also wants additional routes for aircraft to navigate through India's airspace. Currently New Delhi only allows most airlines travelling to Nepal to use a single entrance point in Simara.

Relations between the two countries, however, are not smooth with ongoing border disputes. Aside from the two disputed regions of the 1,850km India-Nepal border at Kalapani and Susta, another border row was sparked in 2020 in the Indian-controlled Limpiyadhura and Lipulekh.

There is also fallout over India's Agnipath scheme—a new agreement between the two countries for recruiting Nepalese soldiers to the Indian army.

While there is a long standing tradition that Nepalese can be recruited into the Indian army, the new scheme means that the Indian Army will only recruit young soldiers below the rank of commissioned officers and for just four years. Three out of every four Agniveers retire from the Army with a \$US15,000 severance settlement after this period. This applies to the Gurkha soldiers recruited from Nepal into the Indian army.

Although retired Agniveers may be given priority over others for various jobs in other Indian government departments, India's recruitment of Gurkhas from Nepal has been delayed since last year. Kathmandu, which confronts growing poverty and rising unemployment, is concerned about what young Nepalese with military training will do after their retirement.

During last November's general elections, Dahal's party was in alliance with a pro-India Nepali Congress-led alliance and in opposition to a political front led by the Stalinist United Marxist Leninist (UML).

Dahal, however, joined hands with the UML and was sworn in as prime minister in December because Congress leader Sher Bahadur Deuba refused to support him. The previous UML government of Prime Minister Sharma Oli built close relations with Beijing, raising concerns in the US and India.

New Delhi and Washington responded to Dahal's appointment as prime minister by enhancing their relationship with Kathmandu. US Undersecretary of State for Political Affairs Victoria Nuland made a two-day visit to Nepal on January 29. Her trip was followed a few days later by United States Agency for International Development (USAID) chief Samantha Power who arrived in Kathmandu on February 5. Modi also

dispatched his foreign secretary, Shri Vinay Mohan Kwatra, to Nepal on an official visit in mid-February.

Nuland and Power are among the most prominent officials in the Biden administration. Both have been involved in multiple regime-change operations, and other key geo-strategic initiatives. Their personal visits underscore the importance Washington and its regional partners increasingly assign to Nepal.

One of the aims of the visits appears to have been made in order to establish smooth relations between the Dahal administration and the Nepali Congress Party. In March, Congress Party candidate Ram Chandra Poudel was elected as the Nepalese president.

Underscoring a new alliance between Congress and Dahal, the prime minister supported Poudel, against the UML-backed candidate Subash Chandra Nembang. Further strengthening the pro-Indian nature of foreign policy, Prachanda appointed Narayan Prasad Saud as the new foreign minister, a central committee member of the Nepali Congress.

These manoeuvres are all part of India's efforts to strengthen its political and economic influence over all countries in South Asia. In early May, Indian Defense Minister Rajnath Singh visited the Maldives, a strategically positioned archipelago in the Indian Ocean. Simultaneously, Chief Air Marshal of the Indian Air Force Vivek Ram Chaudhari paid a four-day official visit to Sri Lanka.

While the US is leading NATO's brutal war in Ukraine against Russia, it still regards China as its major strategic opponent and is increasing military preparations accordingly, while deepening its strategic partnership with India. Nepal is being increasingly drawn into the sharpening geopolitical conflicts.



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