



## Centre for Air Power Studies (CAPS)

Forum for National Security Studies (FNSS)

17/18

# ANALYSING PRIME MINISTER OLI'S VISIT TO CHINA

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**Keywords:** Nepal-China relations, Trans-Himalayan Railway, India, Belt and Road Initiative

Nepalese Prime Minister KP Oli concluded his six-day long visit to China on June 24, 2018. This was the second state visit of PM Oli after his re-election in February this year. A 52 member delegation accompanied Oli, and a total of twenty-two Memorandums of Understanding (MoU) were signed during the delegation level meeting. Among others, China-Nepal cooperation on Hydroelectricity development in Nepal and strengthening connectivity through the framework of trans-Himalayan Multi-dimensional Connectivity (THMDC) were the two critical outcomes of the visit.<sup>1</sup>

Under the THMDC framework, a cross-border railway line is to be constructed which will connect the Gyirong trading port in the City of Xigaze in Tibet with the Nepali capital city, expected to be completed by 2022.<sup>2</sup> Other than the railways, a protocol was agreed upon for the Utilization of Highways in Tibet by Nepal for cargo transportation. These connectivity

development projects between Nepal and China are to be developed under the broader framework of China's multi-billion Belt and Road Initiative (BRI).

It is noteworthy that Five out of eight agreements signed during the visit of Oli to China were on developing hydroelectricity in Nepal. Despite the cancellation of a project given to Chinese firm Gezhouba Group Corporation on West Seti River in 2017 by the previous government, China has been keen to invest in hydropower generation. The Nepalese administration has been equally for Chinese collaboration. A significant boost in Nepal's security relations with China was another sector of cooperation which is the highlight during the visit. The two countries agreed to 'negotiate a treaty on Mutual Legal Assistance in Criminal Matters and Treaty on Extradition, to strengthen cooperation on the administration of border areas and fight against illegal border crossing and transnational crimes.'<sup>3</sup> After the legal

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framework is agreed, it will affect the lives of undocumented Tibetan currently living in Nepal. Also, any fresh attempts by the Tibetans fleeing might meet stringent actions from the Nepalese side.

Notably, Oli's six-day visit to China comes in the backdrop of Nepal's ongoing tensions with India, followed by Nepal's attempt to alter the course of its foreign policy from prime-dependence on India to seemingly balanced cooperation with China. During Oli's first stint as Prime Minister in 2016, Oli reproached China after his equation with India had reached to an all-time low. After, India's attempt to mediate between the Nepalese government and the Madhesis (people from the southern plains of Nepal) to resolve the political deadlock which emerged in the wake of a constitution implementation in 2015. Before his sojourn in Beijing, Oli paid a visit to India followed by the visit of Indian Prime Minister to Nepal in May 2018. The two visits were seen as an opportunity to narrow down differences. However, it seems the visit had a natural impediment to trust deficit on both the sides.

Keeping Oli's political mandate for the parliamentary elections in 2017, Oli exploited the opportunity by using anti-India rhetoric during political campaigns as well as in fine-tuning his equation with Beijing. Since the merging of the two politically rival parties CPN (Maoist) and CPN (UML) in a strong a Left Alliance under Oli's

leadership, he has emerged as an assertive leader. Also, Oli's antagonising approach towards India is wide open in public which is weighed under recent grievances.

However, considering the geopolitical set up between India and Nepal, the two share special relations marked by the open border, deep-rooted trade, socio-cultural and people to people relations. India remains the principal transit route for Nepal for its access to the world. Further, in the hydropower production, India is a major partner of Nepal. On the security front, India and Nepal have shared a long history of Nepalese Gorkha soldiers' who are serving in the Indian army. India also provides occasional training to the Nepalese Army at Indian Military Academy.<sup>4</sup> Meanwhile, a number of political impediments have affected India's current equation with Nepal, but it is not likely to affect the long existing cooperation between India and Nepal. However, every now and then China is juxtaposed with India in Nepal, and often the rhetoric rises above these realities of India-Nepal tensions.

It is undeniably a new start for Nepal-China relations. In the recent past, Nepalese public opinion has favoured China over India. Given Oli's ideological leaning towards China is helping him in consolidating his domestic agenda along with an aim to showcase his assertive leadership internationally. However, it remains to be seen how different will be the Chinese investments in

Nepal from those in Sri Lanka<sup>5</sup> and Pakistan, that have left them debt-ridden. India needs to overhaul its Nepal policy, keeping the needs and ideological understanding of the younger generation of Nepal which is digitally active and critically assertive. However, recent efforts by India and Nepal in the form of the Eminent Persons Group, who were given the task of revising 1950 Treaty of Peace and Friendship as per the timely needs can be seen as a significant effort in this regard.

***(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS])***

## Notes

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<sup>1</sup> "Rail link best outcome of China Visit: Oli" *The Tribune*, June 25, 2018, World section, New Delhi.

<sup>2</sup> PM hails rail pact with China," *The Kathmandu Post*, June 25, 2018,  
<http://kathmandupost.ekantipur.com/news/2018-06-25/pm-hails-rail-pact-with-china.html>, accessed on: June 25, 2018.

<sup>3</sup> "Joint Statement between Nepal and the People's Republic of China dated June 21, 2018,"  
<https://mofa.gov.np/joint-statement-between-nepal-and-the-peoples-republic-of-china/>, accessed on: June 21, 2018.

<sup>4</sup> "Nepal Army Chief to Review IMA Passing-out Parade" *The Telegraph*, dated June 8, 2018,  
<http://www.tribuneindia.com/news/uttarakhand/nepal-army-chief-to-review-ima-passing-out-parade/601752.html>, accessed on July 12, 2018.

<sup>5</sup> Yogita Limaye, "Sri Lanka: A country trapped in debt," *BBC News*, dated May 26 2017,  
<https://www.bbc.com/news/business-40044113>, accessed on June 25, 2018.