

NEWSLETTER 2 – 4 Points About Nepal, India, China, the BRI, and Beyond

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Nepal has just [revised its 2017 BRI agreement with China](#). Our weekly [podcast](#), hosted by Mr. [Shishir Lamicchane](#), interviewed Mr. [Raunab Sign Khatri](#). Here are Mr. Khatri's views on Nepal, India, and China in this context.

1. **Chinese influence in Nepal is here to stay.**

Nepal aims to forge an independent foreign policy with both countries. India shares a common language and strong cultural ties with Nepal, but Chinese investments in Nepal are too important and too beneficial for Nepal to refuse them. In Dr. Khatri's view, India should stop trying to prevent Nepal-China relations and see how it can fit in. For instance, when in the aftermath of the 2015 earthquake [India decided to impose a blockade in Nepal](#) among other things to prevent Chinese interference, the end result was exactly a great increase in Chinese influence – for the Nepalese suffered much from these blockades and, understandably enough, hold their own national interests above those of India.

2. India should stop fighting Chinese infrastructure projects and focus on how to benefit from them.

Both the US and India are opposed to BRI projects. However, in Mr. Khatri's words: *'Because China is [an economic superpower now in the world](#) – and India still has to catch up to that level of spending and economic assistance to foreign countries – it is very important for developing countries to be able to use these Chinese economic capabilities. (...) For smaller countries like Nepal, China is very essential.'* Understandably, India is especially [opposed to the Pakistani corridor, CPEC](#), because it involves the disputed Kashmiri territory. India must protect its national interests, as must we all. However, Mr. Khatri suggests that even India could much benefit from Chinese worldwide infrastructure investments. For instance, the [projected railway through Nepal to China](#) is likely to benefit India as well if and when it accepts to associate with it.

3. Nepal must be careful as it takes part in the BRI's 'learning curve'.

According to Mr. Khatri, [Nepal's 2017 BRIC agreement](#) with China was concluded at the height of Chinese proliferous investments abroad. Since then, the US trade war with China, the [Sri Lanka crumble](#), and local backlashes in countries such as [Montenegro](#) and [Indonesia](#) regarding environmental issues have made Chinese investors – banks, companies, state organs – much more prudent in their engagements. Although Mr. Khatri considers the Sri Lankan debt trap to be a myth (as according to him only 10% of Sri Lanka's external debt is owed to China), it's undeniable that mistakes were made. China, too, is learning how to navigate the brave new world of BRI and other infrastructure projects. Especially relevant for Nepal, according to Mr. Khatri, is the instance of [large, very ambitious projects that either fail to operationalize or fail to yield profit](#). Mr. Khatri much prefers smaller projects targeted to more modest and specific needs, and which can be both operationalized and yield palpable profit in the near future.

4. The geopolitics of knowledge: South Asian countries must study each other. They must also translate Chinese sources on South Asia.

Mr. Khatri has co-founded the [Arinako Project](#), dedicated to translate

sources in mandarin that hold valuable information about Nepalese-Chinese relations. Based in Peking, he is very well-positioned to note the difference between South Asian and Chinese ‘knowledge production’ about foreign countries. While there is a lack of think tanks and research centers both in Nepal and India that are especially dedicated to each other, China lacks no infrastructure on either. In Dr. Khatri’s words: *‘There are 15 universities in China now that teach Hindi as a major language. There are five universities in China that teach Nepali as a major language in undergraduate studies. A couple even have PhDs in Nepalese. So we are seeing a lot of Chinese progress in terms of understanding other countries. There’s a lot of knowledge production in China – even though it’s all in Mandarin and mostly intended for a Chinese audience’*. Perhaps the geopolitics of knowledge could become crucial in the future, as the country most knowledgeable about other countries will hold many advantages.