

Nepal leaders signal shift in India, China relations

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Nepal's incoming government has signalled it will pursue a more pragmatic foreign policy centred on national interests, as the newly victorious Rastriya Swatantra Party (RSP) seeks to recalibrate relations with China and India after years of shifting political alignments.

In its election manifesto, RSP pledged to pursue "balanced and dynamic diplomacy" with both neighbours, emphasising economic cooperation, cross-border connectivity and trade while transforming Nepal from a "buffer state into a vibrant bridge".

"Our relations with our neighbours and other countries will be based broadly on the national interests of Nepal," said Shishir Khanal, an RSP leader and newly elected parliamentarian.

"We will focus on economic and development diplomacy, where we will build relationships for the economic growth of our country."

RSP secured a landslide victory



New Prime Minister Balendra Shah was formerly a rapper.

in last week's poll, an unprecedented feat for a party that entered politics only four years ago.

Voters frustrated with corruption and unstable governments largely rejected Nepal's three traditional parties, clearing the way for 35-year-old rapper and engineer-turned politician Balendra Shah to become prime minister.

While Shah has not put out a detailed foreign policy doctrine, analysts said his public statements and the party's campaign messaging suggested a nationalist approach that did not favour any single partner over another.

The former Kathmandu mayor has criticised Nepal's

overdependence on Delhi, banned a Bollywood film over a cultural dispute and used profanity against India, China and others in a now-deleted social media post.

On Tuesday, Shah posted on social media that "we will work together to further strengthen, deepen and make more result-oriented" ties with India in response to a congratulatory message from Prime Minister Narendra Modi.

Two of Nepal's oldest parties – the Nepali Congress and Communist Party of Nepal – were founded in India in the 1940s when parties were banned under the autocratic Rana rulers. While the Nepali Congress has historically maintained close ties with India, the communists have leaned towards China.

Communist leaders K.P. Sharma Oli and Pushpa Kamal Dahal have deepened ties with China over the past decade.

Nepal's relation with Delhi cooled significantly under Oli after a spate of incidents – including India's unofficial economic

blockade in 2015 and Nepal's approval of a map including contested areas along India's border – pushed the country further into China's orbit.

Huang Yunsong, deputy director of Sichuan University's Institute of South Asian Studies, said RSP's win presented "structural opportunities" to strengthen China-Nepal relations. "China is interested in establishing institutionalised communication with RSP," Huang said. "The focus is not on whether to realign the relationship, but how to connect with each other. China will closely follow RSP's foreign policy agenda and attempt to accurately align the Belt and Road Initiative."

Though Nepal signed up to the initiative in 2017, no projects have moved beyond planning. While Oli prioritised completing a major belt and road project in his constituency in eastern Nepal's Jhapa, Shah did not mention it when campaigning in the same region.

Arpan Gelal, a research coordinator at the Kathmandu-based Centre for Social Innovation and Foreign Policy, said this could be

an electoral rather than geopolitical calculation.

Jhapa's China-Nepal Friendship Industrial Park is strategically sensitive as it is near the Siliguri Corridor, a vital link to India's volatile northeast states.

Chinese projects in Nepal have also been mired in controversies, with critics accusing Oli and Dahal of awarding infrastructure contracts without transparency or due diligence.

Last year, Nepal's anti-corruption agency filed charges against former ministers, bureaucrats and a Chinese state-owned company in connection with a multimillion-dollar embezzlement during the construction of China-funded Pokhara International Airport.

"Previously, China had some leeway with Nepali communist leaders in the government, but that could take a back seat now with RSP," Gelal said.

"China needs to change its strategy – there has to be a shift in under-the-table negotiations that bypassed state mechanisms and become more transparent, working with the new government."