

Arzu Rana Deuba's Visit to India: No Guarantee of Smooth Bilateral Relations

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Summary

Nepal's Foreign Minister Arzu Rana Deuba called her recent first official visit to India a success. However, this does not necessarily point to a lasting cordial relationship between the two neighbours. The composition of the new government in Kathmandu and the coalition is such that Prime Minister K P Sharma Oli will not be entirely have a free hand in making major foreign policy-related decisions.

After assuming the charge in July 2024, Nepal's Foreign Minister Arzu Rana Deuba embarked on her first official visit to India from 18 to 22 August 2024. Prior to that, India's Foreign Secretary Vikram Misri paid his first visit to Nepal on 11 and 12 August 2024, where he met Nepal's President, Ramchandra Poudel, Prime Minister K P Sharma Oli and other government officials, and discussed matters of [mutual interest and bilateral cooperation](#).

In India, Deuba met with India's Prime Minister Narendra Modi who expressed his appreciation for Oli's participation in the [Third Voice of Global South Summit](#), virtually hosted by India on 17 August 2024. Thereafter, Deuba held talks with India's External Affairs Minister S Jaishankar. Besides members of the Indian government, Rana also met Vijay Chauthaiwale, in-charge of the foreign affairs department of the Bharatiya Janata Party (BJP) and a familiar face in Nepal's politics. The two leaders discussed various aspects of India-Nepal relations and the relationship between the [Nepali Congress \(NC\) and the BJP](#).

The India-Nepal relationship witnessed a significant development in the form of cooperation in the power sector. Nepal can now export [nearly 1,000 megawatts \(MW\) of electricity](#) to India, creating additional revenue sources and providing clean energy to its neighbour. In May 2023, during the visit of then Nepalese Prime Minister Pushpa Kamal Dahal to New Delhi, India and Nepal agreed on a long-term power trade cooperation under which India set a target of [importing around 10,000 MW of energy](#) from Nepal in the next 10 years. The hydropower deal is for 25 years and will be automatically renewed every 10 years after the first 25 years. This long-term power deal was formalised during [Jaishankar's visit to Nepal](#) in January 2024.

During Deuba's visit, the Central Electricity Authority of India cleared the export of an additional 251 MW of power from 12 hydropower projects in Nepal. Now, Nepal will export an additional 125.89 MW to the Indian state of Haryana and 125 MW to Bihar. With the additional export, the amount of electricity Nepal will sell to [state-level distribution companies](#) in India amounts to 260 MW. In total, Nepal will now export 941 MW of hydropower to India from 28 projects. Earlier, Nepal had permission to export or sell 690 MW from 16 projects in the competitive [Indian Energy Exchange market](#). In the last Nepalese fiscal year (from 17 July 2023 to 15 July 2024), Nepal exported around 1.95 billion units of

electricity worth Nepali Rupees 17.06 billion (S\$1.65 billion) to India and imported Nepali Rupees 16.93 billion (S\$1.63 billion) worth of electricity from India [during the dry season](#). In October 2021, India approved the export of 39 MW of electricity from Nepal for the first time, which [increased around 24 times](#) in just three years. Also, a power sales agreement to export 40 MW of power from [Nepal to Bangladesh via India](#) was about to be signed on 28 July 2024. However, it has been postponed for now due to the [recent political developments](#) in Bangladesh.

India is also cooperating with Nepal to develop its cricket. Earlier this month, the Nepali cricket team had a [two-week training programme](#) at the National Cricket Academy in Bengaluru in India. During Deuba's visit, the two countries welcomed this development. On her return to Kathmandu, she characterised her [visit to India as successful](#).

It appears that there will be a continuity in Nepal's India policy under the tested political leadership of Oli from the Communist Party of Nepal-Unified Marxist Leninist (CPN-UML). In July 2024, Oli returned as Nepal's fifth prime minister in the last five years, promising to provide [political stability in the country](#). The Oli-led government commands more than a two-thirds majority in the 275-member House of Representatives. It has the support of NC (88 seats), CPN-UML (79 seats), Janata Samajwadi Party (seven seats) and Loktantrik Samajwadi Party (four seats). The Janamat Party, led by C K Raut, has not joined the government but has extended [the party's support](#). However, such overwhelming support in the House of Representatives does not assure long-term political stability in the country. The history of Nepalese politics is marred by factionalism and frequent change of coalition partners.

The political allies in the coalition government do influence important foreign policy-related matters and decisions. With the NC as a major coalition partner and Rana in charge of the foreign ministry, Oli will not have [a free hand](#) in making any major foreign policy-related decisions. In addition to her own identity, Deuba is the wife of former Prime Minister and President of the NC, Sher Bahadur Deuba. Unfortunately, the latter's identity matters more in a patriarchal society. Ideologically, the CPN-UML and NC are unnatural partners. On foreign policy matters, Oli is largely considered 'pro-China' while Deuba is regarded as a 'pro-India' and 'pro-United States' leader. Hence, in the long term, ideological differences and a 'tilt' towards different rival neighbours and extra-regional power(s) may irritate the coalition leaders or some members of the alliance partners. In such a situation, the long-term political stability largely depends on how deftly the country's leadership irons out the differences and irritants.

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