

India-China Latest Understanding: Nepal Feels Betrayed

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Summary

Among the several latest understandings between India and China, one is resuming border trade through three points, including the Lipulekh Pass. Nepal has objected to this understanding since it has historical claims on the Lipulekh territory, which India also claims as its own. It is in the interest of both India and Nepal to address this dispute through dialogues and diplomacy rather than leave it simmering.

Relations between India and China appear to be warming in recent months. This is good news, particularly for the Global South. An improvement in India-China relations might lessen the pressure on the other countries, including those in South Asia, which have good bilateral relations with both India and China but are often strained by the geopolitical competition between the two giants. On the flip side, however, as famously remarked by [Singapore's then-Prime Minister Lee Kuan Yew](#), sometimes cosy relations between bigger countries can also be detrimental to the smaller ones. An understanding reached between India and China recently and Nepal feeling betrayed by it is a case in point.

During the recent visit of Chinese Foreign Minister Wang Yi to India on 18 August 2025, the two countries arrived at understandings on several issues, one of which was the [re-opening of border trade](#) through three designated trading points, including the Lipulekh Pass. Nepal is frustrated by this understanding because it has claimed Lipulekh as part of its territory. Responding to media queries on this development, the spokesperson of [Nepal's Ministry of Foreign Affairs](#) released a three-point statement on 20 August 2025 that Nepal's official map in the country's constitution clearly includes Lipulekh; hence, there is no doubt that the area belongs to Nepal. It also stated that Nepal has requested India repeatedly not to conduct any construction or border trade activities in that area and has informed China that the territory belongs to Nepal. The statement further stated that Nepal was committed to resolving any border dispute with India through diplomatic means. Nepal also sent two separate [diplomatic notes](#) to India and China to register its protest against the understanding.

India's Ministry of External Affairs also [responded to media queries](#) on this development and stated that India-China border trade commenced in 1954 but had been disrupted in between for several reasons. It has stated that Nepal's claims on the territory are not based on historical facts and evidence, and that India is open to resolving boundary issues with Nepal through dialogue and diplomacy.

Nepal and India have largely resolved their border disputes except in a few places. The one on Lipulekh flared up in 2019 when India [published a new map](#) by including this and other areas that Nepal has historical claims on. The publication of the map was followed by India

[inaugurating a road](#) that originated in India's Dharchula and went up to Lipulekh. [Nepal strongly protested](#) these unilateral actions by India. It [published a revised map](#) that included Lipulekh and other surrounding areas. Through a unanimous decision among all the political parties in Parliament, the new map was included in Nepal's constitution, making it the official map of the country.

Nepal and India have their own arguments based on different historical facts to claim Lipulekh and surrounding territories as their own. The best way to resolve this is through diplomatic dialogues. The two countries [instituted several mechanisms](#) at different times to create platforms for such dialogues. And in many instances, these initiatives have borne fruit. Border disputes at several places between the two countries have been resolved. It is unfortunate that they have not resorted to this mechanism in the case of Lipulekh.

Against this backdrop, the understanding between India and China to resume their bilateral border trade through the Lipulekh Pass has created frustrations in Nepal. During his meeting with the Chinese President Xi Jinping in Tianjin on the sidelines of the Shanghai Cooperation Organisation Summit on 30 August 2025, Nepal's Prime Minister KP Oli [registered his objections](#) to the understanding between China and India regarding the Lipulekh Pass, stating that the territory belongs to Nepal. An official statement on Xi's response to this objection of Oli is not available. According to a [media report](#), Xi said, "That point [Lipulekh] has traditionally been used as a border point but we do not want to be a party to this dispute...we do not object to Nepal's claim...but the issue should be resolved bilaterally [with India]."

Oli is set to [visit India on 16 and 17 September 2025](#) and meet with the India's Prime Minister Narendra Modi in Bodhgaya. Oli had received the invitation last July after more than a year in office. A reason for the delay in receiving the invitation from India has been his tense relationship with India, including due to his initiative in his earlier stint as Nepal's Prime Minister to publish the country's revised map by including Lipulekh, Kalapani and Limpiyadhura. After registering his objections to Xi in Tianjin, he is expected to register Nepal's objections with Modi as well.

Nepal and India have their own arguments for their claims in Lipulekh and the surrounding areas. Many of these have been made public but making the claims unilaterally has not worked and will not work. The two sides need to sit together and produce the basis of their claims at the negotiating table. Rather than keep the issue under the carpet and let it surface every now and then, it is in the interest of both countries to address it through dialogues and diplomacy based on historical facts and evidence. In order to maintain good neighbourly bilateral relations, it is essential to discard unilateral actions and jointly find a resolution.

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