

China, U.S. investing in Nepal

Krishna Bahadur Mahara

Indicating the growing importance of the Himalayan region in global politics, a new round of competition has begun in Nepal among the great powers. On Sunday, Nepal concluded one of the biggest infrastructure-related deals with China even as reports came of a big grant of funds by the U.S.

Sunday's agreement on a cement venture was between the Investment Board of Nepal and Hongshi-Shivam Cement, a Nepal-China venture. "The signing of the agreement is a signal to the private sector, both external and internal, that Nepal has good business climate," Finance Minister Gyanendra Bahadur Karki said. The deal is likely to boost the infrastructure sector in Nepal, which is drawing international investment.

The timing of the agreement is important as it came just four days before Nepal's Deputy Prime Minister and Foreign Minister Krishna Bahadur Mahara will hold talks in Beijing on Nepal's place in China's One Belt One Road (OBOR) scheme.

\$500 million grant

In the backdrop of the landmark boost to Nepal-China infrastructure segment has come the U.S. announcement of a grant of \$500 million for Nepal to work on its development goals.

Reports said the grant would be made by the Millennium Challenge Corporation, an independent U.S. government organisation active in the field of poverty reduction and economic development. This fund too will be used to build an electricity transmission network and construct 300 km of roads.

The Chinese and American projects in Nepal are taking off even as India is conducting the fortnight-long annual Nepal-India joint military exercise to be concluded on September 16. Nepal's infrastructure sector has received attention from India in the recent past.

During the visit of Prime Minister Sher Bahadur Deuba to Delhi, India pledged support to Nepal in the infrastructure field.

The joint statement of September 24 said, "The two Prime Ministers noted with satisfaction utilisation of the two Lines of Credit of \$100 million and \$250 million for development of roads and power infrastructure in Nepal."

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