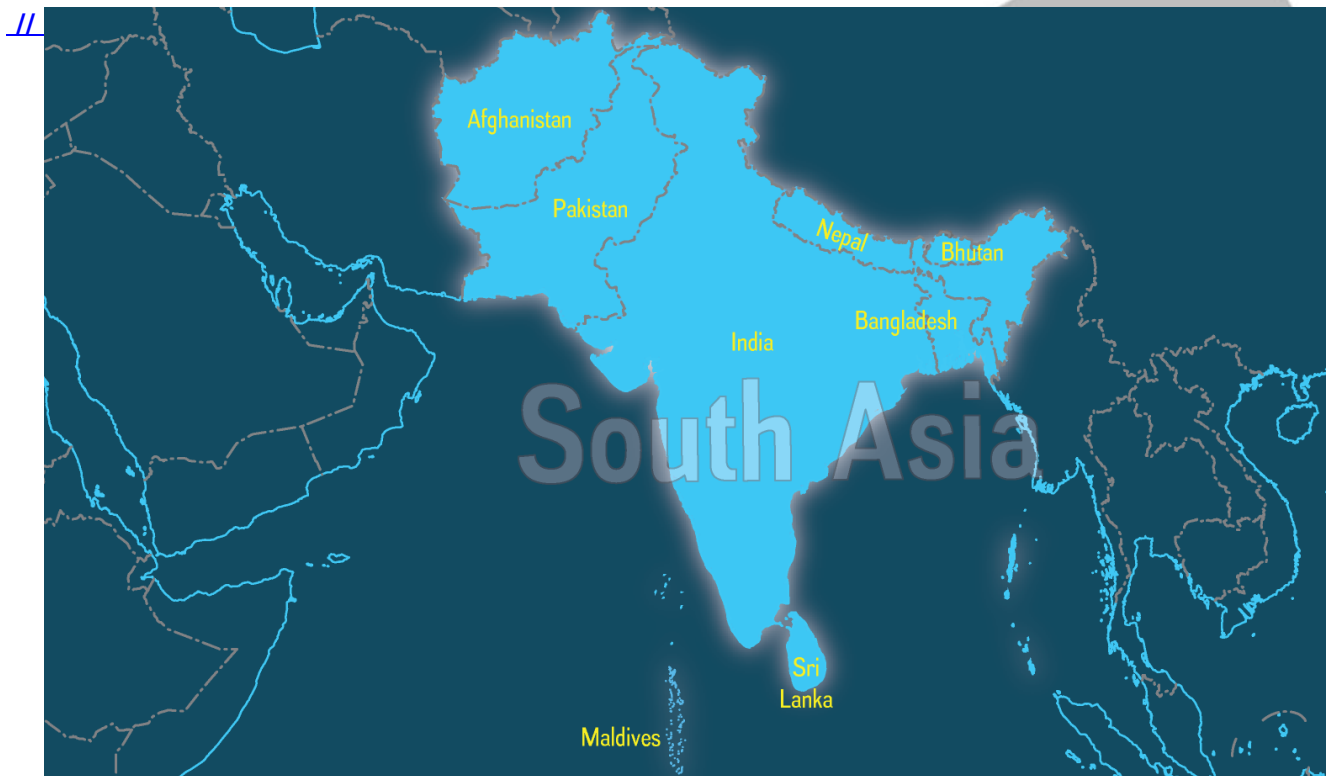




China's Rising Influence in South Asia

Why in News

China has held its **third multilateral dialogue** virtually with countries from **South Asia** to take forward **closer cooperation on fighting Covid-19** and coordinating their **economic agendas**, reflecting a new approach in Beijing's outreach to the region.



Key Points

▪ Participating countries:

- It brought together every country in the region **barring India, Bhutan and the Maldives**, and was aimed at **“anti-epidemic cooperation and poverty reduction cooperation”**.
- The recent meeting was attended by **all five countries** that have taken part in these dialogues: **Pakistan, Nepal, Afghanistan, Sri Lanka and Bangladesh**.
- All three dialogues have been attended by **Pakistan and Nepal**.

▪ Engagements through other Platforms:

- Previously at the July [quadrilateral dialogue](#) with Afghanistan, Nepal and Pakistan, China's proposed extending the [China-Pakistan Economic Corridor](#) (CPEC) to Afghanistan, as well as taking forward an **economic corridor plan** with Nepal, called the

Trans-Himalayan Multi-dimensional Connectivity Network.

▪ **Other Initiatives by China to Enhance Engagement in South Asia:**

- According to the **American Enterprise Institute's China Global Investment Tracker**, China has committed around **100 billion USD** in the economies of Afghanistan, Bangladesh, the Maldives, Pakistan, Nepal and Sri Lanka.
 - China is now the **largest overseas investor** in the Maldives, Pakistan, and Sri Lanka.
 - **Afghanistan:**
 - Beijing was a part **of the trilateral China-Pakistan-Afghanistan foreign ministers dialogue** which focuses on facilitating Afghan domestic political reconciliation, enhancing regional connectivity, and improving regional common development.
 - The trilateral discussions also agreed to push **“forward under the [Belt and Road Initiative \(BRI\)](#)” and “to enhance connectivity by extending the CPEC to Afghanistan”.**
 - **Bangladesh:**
 - China and Bangladesh pledged to deepen defense cooperation, especially in the areas of **“defense industry and trade, training, equipment and technology.**
 - China is also the **largest arms supplier of the Bangladeshi military, providing 71.8%** of weapons from 2008 to 2018.
 - **Bhutan**
 - It **does not have diplomatic relations** with China.
 - **Maldives:**
 - China's relationship with the Maldives is near-exclusively focused on leveraging BRI to develop Maldives as well as to raise Chinese influence there to counter India.
 - **Nepal:**
 - Chinese President went to Nepal in 2019.
 - This was the **first visit by a Chinese head of state in 23 years.**
 - The countries have signed agreements to **accelerate Infrastructure building in Nepal and improve connectivity between them.**
 - Both the countries have also announced the launch of a **feasibility study of the China-Nepal cross-border railway.**
 - **Sri Lanka:**
 - Sri Lanka handed over **Hambantota port** on a 99-year lease to China to repay its loan back to china. **Hambantota is geostrategically located on the Indian Ocean, potentially bolstering Beijing's String of Pearls.**
- ### ▪ **Concerns for India:**
- **Security Concerns:**
 - Growing cooperation between Pakistan and China.
 - Increasing nexus between Nepal and China.
 - Acceptance to China-Pakistan Economic Corridor by south asian countries.
 - **Leadership Roles in South Asia:**
 - It shows increasing chinese presence in south asia and its acceptance by the countries as a torch bearer for the region which India wants for itself.
 - **Economic Concerns:**
 - Over the past decade, China has replaced India as the **major trading partner** of

several South Asian countries. For instance, the share of India's trade with Maldives was **3.4 times that of China's in 2008.** But by 2018, **China's total trade with Maldives slightly exceeded that of India.**

- China's trade with **Bangladesh** is **now about twice that of India.** China's trade with Nepal and Sri Lanka **still lags India's trade with those countries but the gap has shrunk.**

Way forward

- India does not have the **economic capacity as China.** Thus it should cooperate with China for the development of these countries such that fruits of development collectively reach South Asia.
- It should also **strongly condemn the plans for extension of the China-Pakistan Economic Corridor.**
- Further India should invest in these countries where **China falls short** and maintain its good will in South Asia and prevent these nations from slipping off from **India's Influence.**

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