



The Geopolitical
OBSERVATORY
of the Indo-Pacific

NEPAL'S OUTLOOK ON THE INDO-PACIFIC: NAVIGATING A CHANGING STRATEGIC LANDSCAPE

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February 2026



AUTHOR'S PRESENTATION



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This note was initially published by [Khabarhub](#).

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THE OBSERVATORY PRESENTATION

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This observatory is directed by **Marianne Peron-Doise**, Senior Research Fellow at IRIS, and is part of the Asia-Pacific Programme.



PROGRAMME
ASIA-PACIFIC

Because of its economic and demographic weight and the multitude of political, strategic and security challenges it faces, the Asia-Pacific region is the focus of much attention. The IRIS Asia-Pacific programme and its network of nationally and internationally recognised researchers aim to decipher the major regional dynamics, while analysing in detail the different countries in this region and the challenges they face. The programme covers a wide range of areas: leading the strategic debate; producing studies, reports and consultancy notes; organising conferences, symposia and seminars; and customised teaching.

This Programme is directed by **Marianne Peron-Doise** and **Emmanuel Lincot**, Senior Research Fellows at IRIS.

The Indo-Pacific has emerged as the most dynamic and contested region of the 21st century. Encompassing 60 percent of the world's population and contributing to more than 65 percent of global GDP, it is a powerhouse of innovation, trade, and connectivity. Stretching from the eastern coast of Africa to the western shores of the United States, the Indo-Pacific connects the Indian and Pacific Oceans, two arteries of global commerce and security. Over half of the world's maritime trade, including oil, gas, and raw materials, flows through these waters, making it the strategic heartbeat of global geopolitics.

For Nepal, though landlocked, the Indo-Pacific is not distant. It is an interconnected reality that influences the country's economy, diplomacy, and security in ways often overlooked. As new power rivalries unfold across the region, especially between the United States and China, and as frameworks like the QUAD and AUKUS redefine the regional order, Nepal needs a clear and forward-looking outlook on the Indo-Pacific, rooted in its national interests, democratic values, and developmental aspirations.

WHY THE INDO-PACIFIC MATTERS FOR NEPAL

The Indo-Pacific is not only about maritime strategy; it is also about connectivity, commerce, and security that reach deep into the Himalayas. It serves as a bridge between Asia, Africa, the Middle East, and the Americas. The region's economic potential, from the manufacturing hubs of East Asia to the resource-rich Indian and Pacific Ocean, holds opportunities for countries like Nepal that aspire to diversify their economic partnerships and attract investment.

But the Indo-Pacific is also a region of volatility. Flashpoints such as the South China Sea, the Taiwan Strait, the India-China border, and North Korea's nuclear ambitions create ripple effects that reach smaller states. The presence of military groupings like the QUAD (India, the US, Japan, and Australia) and AUKUS (Australia, the UK, and the US) reflects the growing securitization of the region. Meanwhile, non-traditional security threats such as climate change, migration, piracy, and pandemics further complicate the landscape.

For Nepal, the Indo-Pacific's significance stems from its location and its relationships. Although it has no coastline, with an open border with India and unrestricted movement of people and goods, Nepal may be called a "virtual maritime country" as Nepal can get uninterrupted access to Indian coasts of the Indian Ocean without any hassle." Beyond the open border, regional initiatives like BIMSTEC also provide seamless access to the Bay of Bengal Region of the Indo-Pacific, demonstrating that Nepal's economic and security interests are inevitably tied to the Indian Ocean.

There is an intrinsic connection between the Himalayan region and the Indo-Pacific waters — a strategic continuum often described as *Sagar* (Sagarmatha, or Mount Everest) to *Saagar* (the Indian Ocean). While India seeks to assert influence in the Indian Ocean through the QUAD and other partnerships with the US, China aims to expand its reach across the Himalayas and challenge India, where it enjoys geographic and infrastructural advantages. These dynamic plays out vividly in South Asia. Each time India strengthens its commitment to the QUAD and other Indo-Pacific initiatives, tensions along the Himalayan border tend to rise, from Doklam and Pangong Tso to Galwan Valley. This illustrates the deep relationship between the Himalayas and the Ocean: competition in the Ocean has implications in the Himalayas, and vice versa.

Therefore, without securing the Himalayan front, India’s ambitions in the Indian Ocean remain incomplete. This also indicates that developments in the Indo-Pacific directly influence Nepal’s trade routes, connectivity projects, and economic resilience. It further emphasizes the need for Nepal to understand maritime and continental security as interlinked dimensions of its foreign policy.

CHARTING NEPAL’S INDO-PACIFIC OUTLOOK

Nepal’s approach to the Indo-Pacific should rest on three interrelated pillars: developmental pragmatism, democratic alignment, and non-alignment in hard security terms.

First, Nepal must recognize that maritime affairs matter immensely for its development. Participation in regional frameworks like BIMSTEC and the Indo-Pacific Economic Framework (IPEF) can provide huge opportunities in connectivity, energy cooperation, and the digital economy. With global supply chains shifting and new investment corridors emerging, Nepal should position itself as a land bridge linking the Himalayas to the Bay of Bengal.

Second, Nepal’s democratic credentials should guide its engagement. Nepal’s journey to democracy has been hard-earned, achieved through multiple movements and sacrifices. Historically, its closest diplomatic and developmental partnerships have been with democracies like the US, India, and European countries that believe in a rules-based order. While maintaining cordial relations with all, Nepal should stand firm on its democratic identity, aligning with global democratic values while remaining cautious of external political influence.

Third, Nepal's non-aligned yet proactive diplomacy should emphasize economic cooperation and non-traditional security issues such as climate resilience, disaster management, and clean energy, rather than military alliances. This approach will safeguard Nepal's sovereignty while maximizing the benefits of regional engagement.

CHANGING GEOPOLITICS AND THE THREAT TO DEMOCRACY

The changing geopolitical landscape poses both opportunities and risks for Nepal's democracy. Major powers increasingly view South Asia through a strategic rather than ideological lens. The United States' global focus has oscillated, while China's engagement has become more comprehensive, encompassing trade, investment, defense, and political influence.

In recent years, Beijing's involvement in Nepal has expanded beyond economic cooperation. China has sought to shape Nepal's political landscape in its favor by facilitating unity among left parties and promoting ideological exchanges through events highlighting "Xi Jinping Thought", "Chinese Socialism", "Chinese model of governance" and others. The growing promotion of Chinese models and cultural diplomacy, through China Study Centers, Confucius Institutes, Friendship Societies, exchanges, and conferences, points to an attempt to influence Nepal's internal discourse.

Such developments raise legitimate concerns about external influence on Nepal's democratic processes. Nepal's democracy, built through struggle and sacrifice, must not be undermined by ideological imports or political manipulation. The 'post-Dalai Lama' scenario could further intensify China's engagement in Himalayan affairs. Therefore, preserving democratic integrity must remain central to Nepal's Indo-Pacific outlook.

TOWARD A BALANCED, FORWARD-LOOKING ENGAGEMENT

Nepal's engagement in the Indo-Pacific should not be viewed through the lens of power politics but as a strategy for inclusive growth, regional stability, and democratic resilience. The country's geography, linking the Himalayas to the Bay of Bengal, positions it uniquely to benefit from both continental and maritime initiatives.

At the same time, Nepal must safeguard its political sovereignty and democratic fabric against undue influence. As China pushes its ideological and political agenda more assertively, Nepal

must reaffirm its independent foreign policy grounded in democratic principles and national interest.

The future of the Indo-Pacific will shape the future of Asia, and, by extension, Nepal. Rather than remain a bystander, Nepal should engage thoughtfully, prioritizing non-traditional security cooperation such as climate change, clean energy, and sustainable development. The Indo-Pacific is not a distant sea for Nepal; it is a continuum that begins in the Himalayas and flows into the oceans, a reminder that Nepal's destiny, too, is tied to the tides of the Indo-Pacific century.

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