

Nepal-China talk to address problems faced by Nepali traders

BHOJ RAJ POUDEL

KATHAMNDU, April 29

China has approached the Nepali government to hold bilateral trade talks as soon as possible in order to ease the tariff and transit related barriers on quarantine and customs, among others, that Nepali businesspeople are facing for a long time.

"The Chinese team has come to have a preliminary meeting in order to fix the third meeting of Nepal-Tibet Trade Facilitation Committee (NTTFC)," Naindra Prasad Upadhyay, joint secretary of the Ministry of Commerce and Supply (MoCS), told Republica on Sunday.

However, the two sides have not yet finalized the date for bilateral talk which will be held in China this time. The last meeting was held in Kathmandu in May 2011. According to Upadhyay, the agendas for the meeting have not been finalized yet. "We will start working on agendas once we set the date for meeting," he

said. "There are chances that we would get invitation from China within this week with a date of the meeting."

Nepal and China, in the second meeting of NTTFC, had agreed to ease the quarantine and transit issues.

However, Nepali traders have allegedly said that the government has failed to raise the issues that have reduced Nepal's export to China. "Nothing substantial has been done to help improve Nepal's export to China after the second meeting of NTTFC in 2011," Rajesh Kaji Shrestha, president of Nepal-China Chamber of Commerce (NCCI) said. "There would be no progress this time as well. I am not hopeful."

Upadhyay, who is also looking after the Nepal-China trade in the MoCS, said that he had discussed all the transit and quarantine related problems that Nepali business people are facing in the preliminary meeting last week. "I have raised the issues that are affecting our export growth to China," Upadhyay said.

A recent study on Nepal-China Trade conducted by a regional think-tank, South Asia Watch on Trade, Economics and Environment, with the assistance of United State Agency for International Development, has said Nepal's trade agreement with China has failed to uphold national interest.

A recent study on Nepal-China Trade conducted by a regional think-tank, South Asia Watch on Trade, Economics and Environment (SAWTEE), with the assistance of United State Agency for International Development (USAID), has said Nepal's trade agreement with China has failed to uphold national interest. "The letter of exchange (LoE) signed between Nepal and China in May 2010 has turned out to be a barrier itself for the export growth of Nepal," the report says.

Shrestha, complaining the government inefficiency to have a better negotiation, said that the Nepali business people were facing multiple problems in the border areas. "China definitely is a huge market but we can't tap it until the transit and quarantine related issues are addressed," he said.

According to Trade and Export Promotion Center (TEPC), trade deficit with China shot up to Rs 38.2 billion during fiscal year 2009/10 from Rs 11 billion recorded in 2005/06.