



Discussion Programme with SEJON Members

Nepal and India Trade & Transit Issues: Prospect , Challenges and Way Forward

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International Trade in Nepal

- Trade has been of a consistent concern to the economy of Nepal and the trade sector has been suffering larger deficit.
- The total export import ratio of Nepal in 2021/22 was 1:9.6 Out of total trade of NRs. 2,120,479.3 million, NRs 1,920,448.4 million (90.57 %) were imports
- Import goods consists mainly of essential goods, industrial raw materials and petroleum products, and export goods on the other hand consist of a handful of agricultural products and few non-agricultural goods.
- The prevalence of significant discriminatory barriers such as high tariffs and Para-tariffs, nontariff measures (NTMs), high costs of trading and inefficient trade facilitation have contributed in high trade deficits.
- One study conducted by UNESCAP in 2018 showed that Nepal had used only 24 percent of its trade potential in SAARC region.
- Nepal ranked 5 in SAARC region in LPI of World Bank. The sub-optimal performance of Nepal on the LPI index draws attention to the urgency of reforms in key areas such as transport, transit, and trade infrastructure and customs clearance procedures.
- The government of Nepal has created various trade strategies and policies for the purposes of trade facilitation and export promotion



Foreign Trade Direction

Direction.	Exports	Imports	Balance	Ratio
F.Y.2015/16	71,137.7	781,146.0	-710,008.3	1:11.0
F.Y.2016/17	73,125.4	985,951.3	-912,825.9	1:13.5
F.Y.2017/18	81,325.4	1,245,190.3	-1,163,864.9	1:15.3
F.Y. 2018/19	97,108.8	1,418,559.4	-1,321,450.6	1:14.6
F.Y. 2019/20	97,709.1	1,196,799.1	-1,099,090.0	1:12.2
F.Y. 2020/21	141,124.1	1,539,837.1	-1,398,713.0	1:10.9
F.Y. 2021/22	200,031.0	1,920,448.4	-1,720,417.4	1:9.6
F.Y. 2022/23 (First 11 month)	143,586.5	1,480,981.1	-1,337,394.6	1:10.3



Nepal's Trade with India

(in Rupees)

Fiscal Year	Exports	Imports	Balance	Trade Ratio
F.Y.2016/17	41,500,844	646,019,017	-604,518,173	15.57
F.Y.2017/18	46,661,564	812,551,461	-765,889,897	17.41
F.Y. 2018/19	62,731,665	917,947,260	-855,215,595	14.63
F.Y. 2019/20	70,108,886	735,308,764	-665,199,878	10.49
F.Y. 2020/21	106,372,055	971,603,945	-865,231,890	9.13
F.Y. 2021/22	155,222,304	1,200,152,728	-1,044,930,424	7.73
F.Y. 2022/23 (First 11 month)	98,973,885	937,833,728	-838859843	9.48
Share with India	68.93	63.33		

Nepal's rank 50th position(0.23%) is India's import and 10th position in India's export (2.3%) in 2021

Nepal's rank 63th position(0.12%) is India's import and 15th position in India's export (1.9%) in 2022

Major Imports from India (2021/22)

	Description	Value(Rs. 000)	%
1	Diesel	168233268	14.0
2	Petrol	71388288	5.9
3	Liquidified Petroleum Gas (LPG)	65550977	5.5
4	Semi-finished products of iron or non-alloy steel, <0.25% carbon, nes	51295670	4.3
5	Flat/hot-rolled iron/steel, in coils, width ≥600mm, not pickled, <3mm thickness	28701444	2.4
6	Ferrous products obtained by direct reduction of iron ore, in lumps, pellets or sinter	23981680	2.0
7	Semi-milled or wholly milled rice, whether or not polished or glazed	23784933	2.0
8	Other - Medicaments put up in measured doses or in forms or packing for retail sale	19185625	1.6
9	Maize (excl seed)	17354184	1.4
10	Others Paddy	16120131	1.3
11	ATF	15154931	1.3
12	Bar & rods, hot-rolled circular cross-section measuring ≤8mm in diameter	14499211	1.2
13	Other coal, not agglomerated, nes	13779444	1.1
14	Telephones for cellular networks or for other wireless networks.	12787517	1.1
15	Flat/hot-rolled iron or non-alloy steel, width <600mm, <4.75mm thick, not clad,	10927155	0.9
16	Motorcycles with piston engine of capacity exceeding 50 not exceeding 125cc	10585123	0.9
17	Finishing Ceramics	10067546	0.8
18	Other vehicle (Petrol engine) capacity >1000CC to ≤1500CC	8515771	0.7
19	Other potatoes, fresh or chilled	7916099	0.7
20	Oil-cake and other solid residues, of soyabean	7774579	0.6
	Others	602549151	50.2



Major Imports from India (First 11 month of 2022/23)

	Description	%	%
1	Diesel	137602677	14.67
2	Petrol	61388844	6.55
3	Liquidified Petroleum Gas (LPG)	54329771	5.79
4	Ferrous products obtained by direct reduction of iron ore, in lumps, pellets or sinter	39818488	4.25
5	Other - Medicaments put up in measured doses or in forms or packing for retail sale	20503076	2.19
6	Semi-finished products of iron or non-alloy steel, <0.25% carbon, nes	19343264	2.06
7	ATF	18935213	2.02
8	Others Paddy	18151428	1.94
9	Flat/hot-rolled iron/steel, in coils, width >=600mm, not pickled, <3mm thickness	18082947	1.93
10	Other coal, not agglomerated, nes	15499223	1.65
11	Maize (excl seed)	15273480	1.63
12	Hot-rolled steel alloys, nes, in coils, >= 1000mm wide	12884945	1.37
13	Semi-milled or wholly milled rice, whether or not polished or glazed	9856779	1.05
14	Oil-cake and other solid residues, of soyabean	9302431	0.99
15	Other potatoes, fresh or chilled	7316713	0.78
16	Smartphones	7148611	0.76
17	Bar & rods, hot-rolled circular cross-section measuring <=8mm in diameter	7141438	0.76
18	Petroleum bitumen	6487807	0.69
19	Onions and shallots, fresh or chilled	6226218	0.66
20	Finishing Ceramics	6203496	0.66
	Others		47.59



Major Export to India (2021/22)

	Description	Value(Rs. 000)	%
1	Soya-bean oil (excl. crude) and fractions	48120431	31.0
2	Palm oil (excl. crude) and its fractions, refined or not but not chemically modified	15389369	9.9
3	Refined bleached deodorized palm olein	15208269	9.8
4	Palm oil (excl. crude) and its fractions, refined or not but not chemically modified	10467090	6.7
5	Woven fabrics of jute or other textile base fibres of heading 5303 (excluding blends)	5664771	3.6
6	Alaichi	4778989	3.1
7	Sunflower-seed and safflower oil (excluding crude) and fractions thereof	4514502	2.9
8	Mixtures of juices, unfermented, not containing added spirit.	4484220	2.9
9	Woven fabrics obtained from synthetic strip or the like	3267518	2.1
10	Single yarn, with ≥85% polyester staple fibres, npr	3258229	2.1
11	Black tea(fermented) and partly fermented, whether or not flavoured,in packings of	2988882	1.9
12	Oil-cake of low erucic acid rape or colza seeds	2589498	1.7
13	Other yarn, <85% polyester staple fibres, with artificial staple fibres, npr	2014391	1.3
14	Rosin and resin acids	1853664	1.2
15	Rolled iron/steel, width ≥600mm, painted, varnished or coated with plastics	1503769	1.0
16	Sacks and bags of jute	1449398	0.9
17	Multiple or cabled yarn, ≥85% acrylic or modacrylic staple fibres, npr	1288498	0.8
18	Extract of acacia (Kattha)	1189871	0.8
19	Other plants or parts, of a kind used in perfumery, pharmacy etc, nes	970147	0.6
20	Single yarn (other than sewing thread), with ≥85% artificial staple fibres, npr	940791	0.6
	Others	23280005	15.0



Major Export to India (First 11 month of 2022/23)

	Description	Value(Rs. 000)	%
1	Refined bleached deodorized palm olein	10218508	10.32
2	Soya-bean oil (excl. crude) and fractions	8475984	8.56
3	Alaichi	7681276	7.76
4	Palm oil (excl. crude) and its fractions, refined or not but not chemically modified	6116094	6.18
5	Mixtures of juices, unfermented, not containing added spirit.	4370708	4.42
6	Rolled iron/steel, width >=600mm, plated or coated with aluminium-zinc alloys	3636785	3.67
7	Single yarn, with >=85% polyester staple fibres, nprs	3429924	3.47
8	Unbleached woven fabrics of jute or of other textile bast fibre of heading 5303.	3336295	3.37
9	Palm oil (excl. crude) and its fractions, refined or not but not chemically modified	3209067	3.24
10	Black tea(fermented) and partly fermented, whether or not flavoured, in packings of	3177466	3.21
11	Rolled iron/steel, width >=600mm, painted, varnished or coated with plastics	2525098	2.55
12	Sacks and bags, used for packing goods, of jute or of other textile bast fibres	2291434	2.32
13	Other, with both outer plies of coniferous wood	2248970	2.27
14	Woven fabrics obtained from synthetic strip or the like	2189736	2.21
15	Other yarn, <85% polyester staple fibres, with artificial staple fibres, nprs	2165938	2.19
16	Oil-cake of low erucic acid rape or colza seeds	2003007	2.02
17	Rosin and resin acids	1566375	1.58
18	Gum of acacia (Kattha)	1317255	1.33
19	With at least one outer ply of tropical wood specified in Subhead. Note 2 to this	1283207	1.30
20	Multiple or cabled yarn, >=85% acrylic or modacrylic staple fibres, nprs	1139956	1.15
	Others		26.87



Bilateral Comprehensive Trade Cost with Selected Countries (excluding tariff cost), 2011-2018

(Percentage)

Country	Bangladesh	Bhutan 2012	India	China 2013	Germany	Pakistan	UK	USA
Bangladesh	..							
Bhutan	316.1	..						
India	121.0	99.6	..					
China	138.5	400.2	100.3	..				
Germany	117.6	304.3	104.3	72.8	..			
Pakistan	164.7	NA	156.6	120.3	138.9	..		
UK	127.1	534.7	97.6	83.8	41.5	130.8	..	
USA	NA	406.4	98.3	70.4	72.3	146.5	70.4	..
Nepal	270.3	191.8	95.4	211.7	193.9	409.8	232.6	250.6

Source: ESCAP-World Bank Trade Cost Database 2018



Transit Trade 2021/22

Description	Import	%	Export	%	total	%
Total Trade	1920448.35	100.0	200030.96	100.00	2120479.31	100.00
India	1200152.73	62.49	155222.30	77.60	1355375.03	63.92
China	264783.71	13.79	808.75	0.40	265592.46	12.53
Third country except India	720295.62	37.51	44808.66	22.40	765104.28	36.08
Transit Cargo Via Inida	469049.67	24.5	12543.32	5.6	481592.99	22.7
TATOPANI/RASUWA	40652.66	2.12	0.0	0.0	40652.66	1.9
TI_AIRPORT	210593.29	10.97	32265.34	16.13	242858.63	11.7



Customs Map Prepared Mr. Shyam Dahal, Trade Facilitation Expert

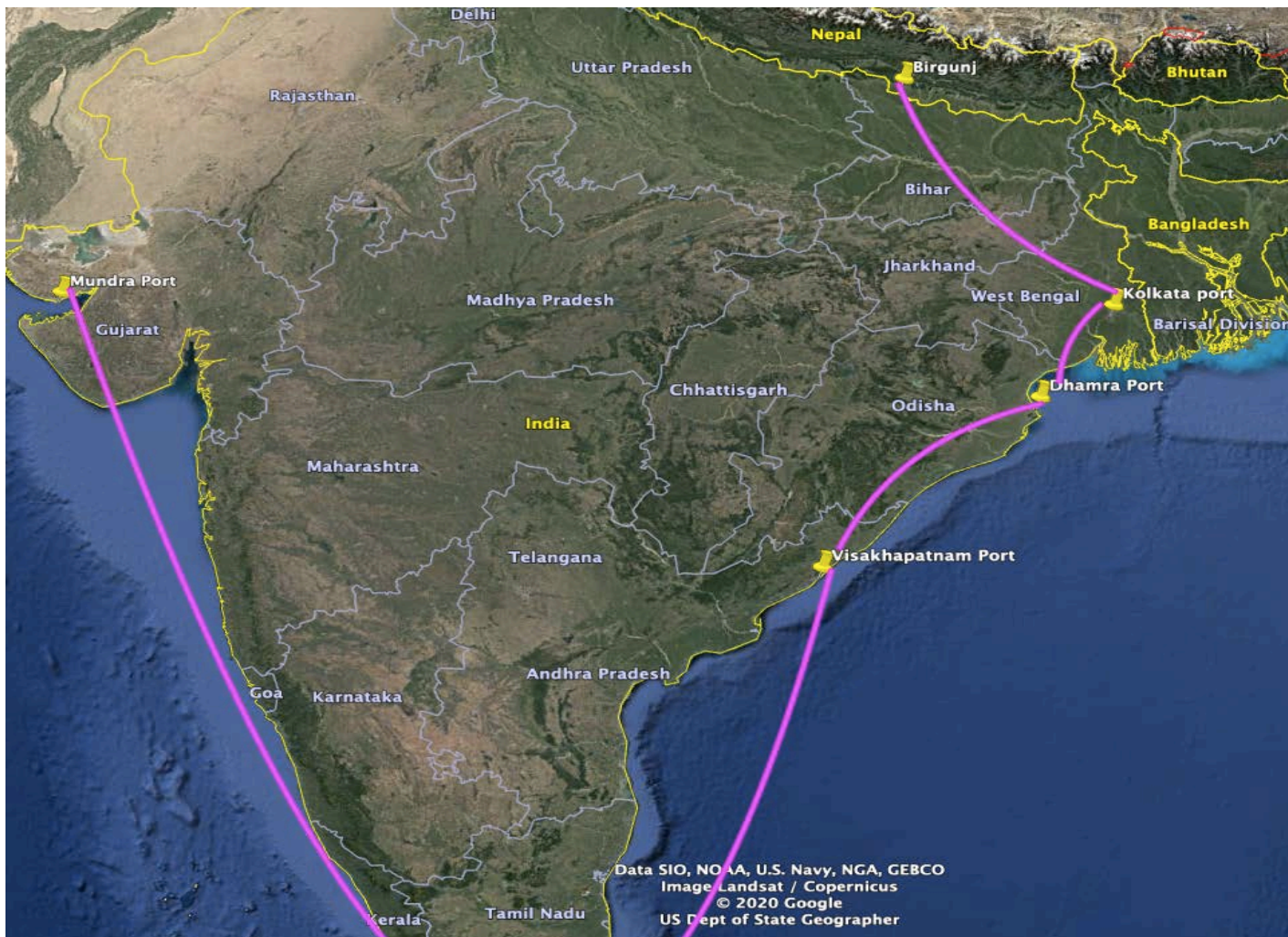


Do the Points of Transit need a review?

Serial no.		Land Customs Station	Transit traffic in 2021/22
1	KOLKATA	Sukhia Pokhri	NIL
2		Naxalbari (Panitanki)	
3		Galgalia	NIL
4		Jogbani	
5		Bhimnagar	NIL
6		Jayanagar	NIL
7		Bhitamora (Sitamarhi)	NIL
8		Raxaul	
9		Nautanwa (Sonauli)	
10		Barhni	NIL
11		Jarwa	NIL
12		Nepalgunj Road	
13		Tikonia	NIL
14		Gauri-Phanta	
15		Banbasa	NIL



Transit Route - India



Calcutta	Sukhia Pokhri
Calcutta	Naxalbari (Panitanki)
Calcutta	Galgalia
Calcutta	Jogbani
Calcutta	Bhimnagar
Calcutta	Jayanagar
Calcutta	Bhitamora (Sitamarhi)
Calcutta	Raxaul (+Dryport)
Calcutta	Nautanwa (Sonauli)
Calcutta	Barhni
Calcutta	Jarwa
Calcutta	Nepalgunj Road
Calcutta	Tikonia
Calcutta	Gauri-Phanta
Calcutta	Banbasa
Visaz	ICD Birgunj (Under ECTS)
Visaz	Bathnah (Under ECTS)



Trade and Transit Treaty/Agreement

The first formal trade treaty between British India and Nepal was signed in 1792.
Treaty of Friendship of 1923.
The Treaty of Trade and Commerce, 1950:
The Treaty of Trade and Transit, 1960:
Indo-Nepal Treaty of Trade and Transit, 1971:

Indo-Nepal Treaty of Trade, 1978:
Indo-Nepal Treaty of Trade, 1991
Indo-Nepal Treaty of Trade, 1996:
Indo-Nepal Treaty of Trade, 2002:
Indo-Nepal Treaty of Trade, 2009

Indo-Nepal Treaty of Transit, 1978:
Indo-Nepal Treaty of Transit, 1991:
Treaty of Transit, Modifications in 1996:
Indo-Nepal Treaty of Transit, 1999:
Indo-Nepal Treaty of Transit, 2023

Agreement of Cooperation to Control Unauthorised Trade, 1978:
Agreement of Cooperation to Control Unauthorised Trade, 1991:
Agreement of Cooperation to Control Unauthorised Trade, 1996:
Agreement of Cooperation to Control Unauthorised Trade, 2002
Agreement of Cooperation to Control Unauthorised Trade, 2009



Key Trade and Transit Treaty/Agreement

India

- Trade - Treaty of Trade Between India and Nepal (2009)
- Transit - Transit Treaty Between Government of India and Nepal (2023)
- Agreement to Control Unauthorized Trade (2009)
- Rail - Rail Service Agreement (2004)



Issues in Trade Treaty Review

- Non-reciprocal Arrangement on import of primary products
- Technical Support
- Fixed Quota on 4 Products (Tariff Rate Quota).
- Review MFN provisions in Article III
- Rules of Origin Criteria.
- Performance of joint Meeting of local authorities.
- Suitable alignment of Border Trade Infrastructure.
- Dispute Settlement Mechanism (DSM)/Grievance Redressal Mechanism.
- Addition of new routes for mutual trade in the Protocol Annexure “A”
- National Treatment to Nepali manufacturing products in public procurement in India.



Reciprocal Arrangement on import of primary products

- In the Protocol IV with reference to Article IV of the Treaty of Trade, there are lists of 16 category primary products, which are being traded with exemption from basic customs duties as well as from quantitative restrictions on a reciprocal basis.
- Presently a total of eight different subsidies that are given to farmers in India.
 - Seed Subsidy.
 - Fertilizer Subsidy.
 - Irrigation Subsidy.
 - Credit Subsidy
 - Power Subsidy.
 - Agriculture Equipment Subsidy
 - Infrastructural Subsidy
 - Export Subsidy
- Nepalese farmers cannot compete with the production of the Indian farmer. Hence, huge quantity of the primary products is imported from India to Nepal.
- One of the reasons of trade deficit is the restrictive provisions introduced during renewal of the Treaty in 2002 by tying-up preferences of duty exemption for primary products with principle of reciprocity,
- This issues has been discussed during the three round of meeting on Comprehensive Review of the Trade Treaty. Nepal should request India to finalize this issues and amend the Trade Treaty



Issues on agreement on Unauthorized Trade

- Nepal has requested to allow re-export from each other's territory of the goods of the following categories imported from a third country without manufacturing activity:-
 - Industrial raw materials,
 - Machinery and parts thereof, and
 - Life-saving drugs.



Issues in Transit

- The transit arrangements between the two countries are governed by two main legal instruments: Nepal-India Treaty of Transit and the Nepal-India Rail Services
- The Nepal-India Rail Service Agreement was amended on 2021
- A Treaty of Transit between the Government of India and Government of Nepal was concluded on 6th December, 1991. This treaty was amended through four Letters of Exchange from 1991 to 1997.
- The Treaty of Transit was revalidated and modified on 5th January, 1999.
- A number of amendments have been carried out in the Treaty of Transit dated 5th January, 1999 including the Protocol to the Treaty and the Memorandum to the Protocol since 5th January, 1999 till date, through eight Letters of Exchange from 1999 to 2016.
- This revision has consolidated the amendments made through the previous Letters of Exchange and also makes certain other amendments in the Treaty.
- This revision has facilitated to avoid anomalies and inconsistencies created by various number of amendments made in the treaty through Letter of Exchanges.



LoEs on amendment of Transit Treaty of 1991

Serial number	Subject	Proposal through Letter of Exchange dated	Acceptance through Letter of Exchange dated
i.	Provide necessary overland transit facilities through Radhikapur and such other routes as may be further agreed upon for the conduct of Nepal's trade with and through Bangladesh	6 th December 1991	6 th December 1991
ii.	Relating to the movement of goods from one part of Nepal to another through Indian territory	16 th February, 1993	16 th February, 1993
iii.	The movement of Nepalese private commercial vehicle from Nepalese border to Kolkata/Haldia and back	16 th February, 1993	16 th February, 1993
iv.	Additional route for Transit from Kakarbhitta (Nepal) to Banglabandha (Bangladesh) via Phulbari (India)	1 st September 1997	1 st September, 1997



LoEs on amendment of Transit Treaty of 1997

SN	Subject	Proposal through LoE dated	Acceptance through LoE dated
i.	Specification of routes for traffic-in- Transit	5 th January, 1999	5 th January, 1999
ii.	Free time for removal of Nepalese transit cargo	5 th January, 1999	5 th January, 1999
iii.	Removal of portion of covered accommodation for transit trade, movement of goods-in-transit by train from Kolkata/Haldia Ports to Birgunj via Raxaul and designation of routes for transit of sensitive goods	30 th March, 2006	30 th March, 2006
iv.	Traffic-in-transit of third country origin goods	12 th December, 2013	20 th January, 2014
v.	Movement of vehicles on their own power	11 th November, 2014	29 th April, 2015
vi.	Traffic-in-Transit between Vishakhapatnam port and Nepal	19 th February, 2016	19 th February, 2016
vii.	Simplification of modalities for traffic-in-transit through Kakarbhitta-Banglabandh Corridor	19 th February, 2016	19 th February, 2016
viii	An Inter-Governmental Committee to promote trade, facilitate transit and control unauthorized trade	5 th January, 1999	5 th January, 1999



Issues in Transit

- The revision has accommodated following new arrangements in the Treaty:
 - Movement of bulk cargo from Vishakhapatnam to Jogbeni/Biratnagar and Nautanwa (Sunauli).
 - This provision has allowed to use inland waterways of India from Kolkotta/Haldia to Sahibgunj, Kalughat and Vanarasi.
 - Utilize the mutually agreed entry, transshipment and exit points using multimodal transportation, and pass only through one of the mutually agreed routes, utilizing inland waterways and road routes with sealed and movement of the cargo under an Electronic Cargo Tracking System (ECTS) seal.
 - The vessels of Nepal shall be accorded facilities of sailing under Nepali national flag on the agreed routes



Issues in Transit

- Agreed on revision of existing Transit treaty between Nepal and India
- The draft consolidated Transit Treaty has covered following aspects:
 - Consolidation of all the amendment in the Transit Treaty in the main text of the Treaty.
 - Consolidation of the provision of movement of bulk cargo movement up to Jogbeni and Nautanawa through Kolkata and Vishakhapatnam
 - Use of Inland Waterways in India
- Nepal has shared a LoEs requesting to include additional two Ports: Dhamra and Mundra.
- Nepal has shared a LoE on for the movement of traffic-in-transit of Nepal through road and rail, from the entry and exit points in India and vice versa, using transshipment procedure” using ECTS.



Additional Issues in Transit

- In the Second Round of Discussions for the Comprehensive Review of the Nepal-India Treaty of Trade on 7-8 February 2019 and subsequent meeting between officials of the MoICS and officials of the Embassy of India to Nepal on 25th February 2019, it is agreed to include additional ports in the Treaty of Transit between Nepal and India.
- Hence Nepal has requested to include additional two Ports: Dhamra and Mundra.
- In 27 January 2021, the Ministry of Port, Shipping and Waterways of India has recommended Ministry of Industry and Commerce of India to include all the east coast port of India for Nepal India Transit Treaty.
- The Ministry of Port, Shipping and Waterways of India has not recommended western port till now.
- Nepal should request Government of India to include Dhamra as gateway port for Nepal in Transit Treaty and also request for early decision to include Mundra Port.



OM on Dhamra Port

**IMMEDIATE
BY E-MAIL**

No. SR-22014/3/2017-SA (C No. 323974)
Government of India
Ministry of Ports, Shipping and Waterways
Transport Bhawan, 1, Parliament Street, New Delhi-110 001

Dated the 27th January, 2021

Office Memorandum

Subject: Inclusion of "The Dhamra Port Company Limited (DPCL) wholly owned subsidiary of Adani Ports and Special Economic Zone Limited (APSEZ) in "Treaty and Transit between the Government of India and the Government of Nepal" - regarding

The undersigned is directed to refer to O.M. No. 3/14/2016-ET(SA) dated 18 November, 2020 received from the Department of Commerce on the above mentioned subject:

2. Keeping in view the recommendations of the meeting conducted by Hon'ble Minister of Railways on 23/10/2020 that any Port on East Coast be declared as Gateway to Nepal and existing restrictions need be done away in coordination with Ministry of Commerce and Ministry of External Affairs, it is recommended that all the East Coast Port may be included as a Gateway Port for Indo-Nepal Treaty.

3. This issues with the approval of the Minister of State for Ports, Shipping and Waterways.


(T. Jayaseelan)
Director
Tel. 2371 0836
E-Mail: usfi.ship@nic.in

Ministry of Commerce & Industry
Department of Commerce
(Kind Attention: Shri V K Srvastava, Under Secretary)
Udyog Bhawan
New Delhi-110 011.
E-mail: vk.srvastava64@nic.in

Copy for information to:

1. Dr. Manoj Singh, Executive Director (Traffic Transportation (F), Ministry of Railways, New Delhi. (E-mail: manoj.singh04@nic.in)
2. Shri Arindam Bagchi, Joint Secretary (North), Ministry of External Affairs, New Delhi. (E-mail: jsnorth@mea.gov.in)



Additional Issues in Transit

- Presently the Electronic Cargo Tracking System has been used in the third country cargo of Nepal imported through gateway port of India as provisioned in the **“Transshipment of Cargo to Nepal under Electronic Cargo Tracking System Regulations, 2019”**.
- These regulations has been applied to the transshipment of cargo from the ports of Kolkata, Haldia and Visakhapatnam in India to Birgunj and Biratnagar in Nepal by rail
- Nepal has already shared a LoE on “Amendment to the Protocol to the Treaty of Transit between the Government of Nepal and the Government of India for the movement of traffic-in-transit of Nepal through road and rail, from the entry and exit points in India and vice versa, using transshipment procedure using ECTS”.
- This LoEs has been finalized after couple of discussion between officials of the both countries.
- Nepal should request India for inclusion for this provision in the Transit Treaty between Nepal and India.



BBIN

- Key Objectives of the BBIN:
 - Enable **seamless movement of vehicles** for faster and cost effective movement of goods and people among their territories
 - **Facilitate cross border trade and investment** in the sub-region through better regional transport connectivity
 - Promote **regional economic integration** through improved regional connectivity
 - Assist countries in **creating an institutional mechanism** for deeper regional economic integration
- BBIN MVA was signed on meeting of Transport Ministers on 15 June 2015. Nepal ratified the BBIN MVA on 21 January 2016. Government of Bhutan gave consent for three country implementation
- Draft Protocol on Passenger Vehicles discussed in Sept. 2015 and March 2016 in Dhaka. Concurrence reached on the text, routes and other details.
- Draft Protocol on Cargo Vehicles under discussion



Benefit of BBIN MVA to Nepal:

- Seamless connectivity:** The agreement will allow vehicles to enter each other's territory and eliminate the time-consuming and costly process.
- **Cargo movement:** It will promote containerized cargo movement.
 - **Containerized trade** promotes multi-modal and therefore, an integrated and seamless road and rail network will further help to reduce trade costs.
 - Reduce boarder **congestion and transaction cost**
 - Bring in **transparency and uniformity** in cross border practices
 - Develop **economic corridors** which allow landlocked trading centres of Nepal to gain access to ports in India and Bangladesh.
 - **Cultural contact:** Facilitate to improve people-to-people contact, encourage tourism and business travel, and boost to trade in various services.
 - **Development of trade related services:** Increase economic and trade integration in the region and generate demand for supporting services.
 - BBIN MVA is a first step towards a **broader integration process**. It can serve as a gateway for connecting to Southeast and East Asia.
 - It will also open up **Mongla and Chittagong** ports for Nepal
 - **Nepalese vehicle** can play easily in member countries
 - Studies has indicated that It will potentially **boost intraregional trade** within South Asia by almost 60 per cent and with the rest of the world by 30%.



Trade Logistics Policy 2079

Trade Logistics Policy, 2079 has been formulated to ensure regular and smooth supply chain mechanism for the production and consumption of goods and services and to strengthen trade infrastructure as well as to established good governance in trade services.

- **Vision :** Modern, efficient and integrated trade logistics system for economic prosperity.
- **Goal :** Enhancing the trade competitiveness by reducing trade logistics costs.
- **Objectives**
 1. To develop targeted and integrated Trade logistics infrastructure.
 2. To strengthen trade related supply chain management.
 3. To Strengthen good governance in trade logistics system.



Refrom Area

- Key Issue: Trade Facilitation – to reduce time, cost and uncertainty by introducing WTO TFA measures.
- Customs
 - Online Payment
 - Remote clearance
 - National Single Window
- Sanitary and Phytosanitary **Measures/Technical** Barriers to Trade.
 - Lab and quarantine.
 - MRA
- Smooth Movement of Cargo
 - BBIN MVA
 - ECTS
- Border Infrastructure and logistic improvements
 - ICD/ ICP
 - Trade Infrastructure
- Development of Integrated Logistics Systems



Way Forward

- Coordination among the concerned agencies in Nepal
- Form a strong technical team for negotiation
- Comprehensive homework for negotiation
- Complete negotiation on paending transit issues
- Complete the existing negotiation on Trade Treaty
- Ratification of Intergovernmental Agreement on Dry Ports
- Signing of Agreement on Paperless Trade
- Implement the trade logistics policy aggressively



Thank You All
for your kind attention