



# NICCI e-Newsflash

## In this Issue

- Interactive program with newly appointed Minister for Commerce* 1
- IBN authorised to hold talks with investors for transmission lines* 7
- Central bank increases ATM withdrawal limit in India* 7
- India to provide more customs facilities, Both side agree to open Birgunj/Raxaul Customs 7 days a week* 8

## *Beautiful Ariel View of Birgunj City, Nepal*



## Interactive program with newly appointed Minister for Commerce & Supplies

An informative and interactive program was organized to welcome Honourable Mr. Sunil Bahadur Thapa, newly appointed Minister for Commerce & Supplies on 30th April 2014 in Kathmandu by Embassy of India, Kathmandu in association with Nepal-India Chamber of Commerce & Industry under the monthly business conclave.

### Welcome Remarks

Delivering the welcome address, President of NICCI Mr. Sashi Raj Pandey said that NICCI had partnered with both the governments in the landmark Nepal India-Trade Treaty of 1996 and NICCI had been vocal with different suggestions and inputs for advocacy for building a conducive business atmosphere between both countries. Mr. Pandey also quoted "Fostering and facilitating economic activities through the promotion of bilateral trade, investment and industry between Nepal and India" in his welcome remarks as the mission of the Chamber.



Mr. Pandey expressed confidence that during his tenure as Commerce & Supplies Minister, Nepal will reach new heights in bilateral relations with India. He also recalled the guidance and generous support to NICCI in its endeavours.

### Presentation

Mr. Saurya Rana, Secretary General of NICCI, who was also moderating the interactive program, made a presentation on NICCI with its purpose and objectives, establishment of Indian

Business Forum (IBF) within NICCI constituting all Indian joint ventures and businesses with the core aim, inter alia, of being one stop window for guiding and enhancing potential Indian investors wishing to establish business in Nepal and also urged for establishment of an India-Nepal Joint Business Forum.

*Continued on page 2*

## Interactive program with newly appointed Minister .....

Mr. Rana mentioned in his presentation about the high level Inter-Governmental Committee (IGC) meeting of the senior Government officers of India and Nepal led by the respective Commerce Secretaries which was formed for strengthening India-Nepal bilateral commercial ties and held last time in Kathmandu on 21st and 22nd December, 2013 focusing on trade, transit and cooperation, curbing the unauthorized trade, discussing new measures to facilitate investment and review of the implementation status of the 33 issues agreed during the last meeting held in New Delhi in December 2011. He mentioned some of the important agreements reached during the meeting were to allow Nepal to bring imported vehicles 'on their own power' from the Kolkata port; use of Jogbani-Biratnagar and Nautanawa-Bhairahawa customs points, in addition to Raxual-Birgunj, for importing bulk cargo from third countries, to develop infrastructures at new customs points, to remove difficulties in quarantine certification of exportable goods from both the countries, and activate additional customs points by upgrading the customs infrastructure, to resolve the difficulties in taking Nepali books, newspapers and goods of Nepali trade fairs to India, including India's offer to provide opportunities for academic and practical skills on different subjects for enhancing capacity of the Nepali trade sector.

During presentation, Secretary General Mr. Rana cited status of certain issues related to the minutes of meeting of Nepal-India Intergovernmental Committee (IGC) on Trade, Transit and Cooperation signed on 22nd Dec 2013 such as status of letter of exchange lying with GON based on IGC meeting of 5-6 Dec 2011 regarding operationalisation of Visakhapatnam Port. (Amendment in RSA for rail transport to/from Visakhapatnam and in Treaty of Transit for traffic- in- transit between Vishakhapatnam port and Nepal), operationalisation of rail transit facility through Singhbaad for Nepal's trade with and through Bangladesh, Simplification of modalities of traffic- in-transit between Nepal and Bangladesh through Kakarbhitta - Banglabandh corridor and facilitation of movement of Indian goods from one part of India to another through Nepalese



territory.

Mr. Rana also raised the status of discussions between the Secretary level Nepal-India Joint Committee on Water Resources (JCWR) regarding formation of a JV company for trade of energy between India-Nepal and with other south Asian countries as well as finalization of PDA's for investment in Hydro-power in Nepal saying such hydro projects would greatly improve the current trade imbalance if we could expedite PDAs.

Secretary General Mr. Rana also urged for speedy accreditation of Nepali labs and mutual recognition of certificates issued by competent authority of both governments. Draft MOU forwarded by BIS to GON, early revision of related laws covering IPR including Trademark in line with WTO - TRIPS in Nepal, export incentive scheme of GON to include INR and not only convertible currency as it would encourage export to India and would help reduce the problem of paucity of Indian currency and also

requested for smooth implementation of other issues related to the IGC minutes of meeting.

### **Address by Chief Guest**

Addressing the gathering, Chief Guest Honourable Minister for Commerce & Supplies Mr. Sunil Bahadur Thapa said "I sincerely believe that political parties will be able to come together in the next ten months to promulgate a progressive democratic constitution."

Linking the promulgation of constitution with correction in overall disorders in the country and leading to economic prosperity, Mr. Thapa further said "This constitution will set the motion for political stability and the government must then focus its attention on the governance front and on economic evolution that will lead Nepal to peace and prosperity. The Government's foremost priority should be our economic agenda. Violence, it must be understood as an 'expression of continued oppression'. In my years of service with the United Nations in conflict ridden countries, I have come to understand the intricate relationship between poverty and violence.

*Continued on page 3*



## Interactive program with newly appointed Minister .....

Even in Nepal, we first confronted the Maoist insurgency as a law and order problem rather than identifying the root causes of the insurgency. The violence and economic and political instability have certainly calmed down after the democratic parties and the Maoists sat together in political dialogue that resulted in the initiation of the peace process and in the election of the Constituent Assembly. However, development indicators still remain bleak.”

Recalling the political errors of 2 decades back, Chief Guest Mr. Thapa said “I fear, we might repeat the same mistake of the 1990's when political parties gave more importance to politics resulting in a situation where politicians abdicated their core responsibility of governing. A repeat of such a situation will plunge Nepal into a cycle violence putting at risk the socio-economic changes that we have all witnessed in the last eight years.”

Briefing the outline of his ministry, Mr. Thapa said “The MoCS is in a position to improve and enhance trade ties between Nepal and India with the aim of fostering sustained economic growth. Now, this leads to the question of what my Ministry and Department can do.”

The determinations Mr. Thapa mentioned in his address were to initiate measures in bringing about objective changes with a vision that will adapt to 21<sup>st</sup> century needs and in expanding necessary trade related goals to meet the demands of liberal trade policies that will facilitate the domestic and international market. Secondly, to make some bold decisions against continuing with a policy of political appeasement. Third, to make effective use of bilateral and multilateral treaties to enhance and protect trade between India and Nepal and finally, to work closely with market forces within Nepal and welcome bilateral cooperation-FDI - especially from India in our attempt to resolve development problems.

Mr. Thapa was firm in his belief and expressed “Ministry should



invest in improving human capital available within the ministry. For example, there is an urgent need to kick start professional management practices and remove the overlapping layers of decision making processes that usually turns off potential investments. I understand ‘governance’ is the new buzz word in the development sector but I fail to understand why we haven't improved our ‘governance capabilities’ within established government institutions. At the end of the day, governments cannot depend on charity and therefore, for sustainable development, we need to increase our governance capability within the Ministry. Along with management advancement, we must be ready to undertake both rigorous academic and technology advancement to respond to market opportunities both domestically and globally.”



Speaking on procedural simplifications of trade and investment, Mr. Thapa mentioned “We need to simplify procedures and create space for trade friendly units and to establish cell that will work specifically in close collaboration with the private sector in identifying areas of cooperation between investors from Nepal and India. This specialized cell will function directly under the Ministry to streamline and facilitate the smooth implementation of understanding reached between investors from Nepal and India.”

Citing his recent conversation with the Prime Minister Mr. Thapa said “I have suggested the urgency to unleash a second wave of liberalization that will open up, more opportunities for the further foreign investment in Nepal. The ripple effect will lead to generating employment, capacity building in enhancing our trade capacities. And I believe this second wave of liberalization will breathe new life into our economy. For this we need collective political will and cooperation from major political parties to make bold political decisions and we have to be ready to face the consequences. On my part, I will make a concentrated effort to reach out to leaders of the ruling coalition and opposition.”

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*Continued on page 4*

## Interactive program with newly appointed Minister .....

Chief Guest Mr. Thapa said "In Nepal, we have been impressed and inspired by India's economic rise. Nepal should take advantage of existing treaties with the aim of enhancing export to India. This is a matter of utmost urgency as we need to balance our trade deficit. The recently held IGC between Nepal and India was successful in achieving consensus on major bilateral issues. Such meetings have brought officials from both Nepal and India together in discussing problems and in charting a way forward. I want to bring to your attention that I look forward to enhancing inter governmental exchanges as well as those with the private sector from both India and Nepal." Regarding FDI, Mr. Thapa said "The government will play a constructive role as a moderator and will strive to work with the private sectors in forming much needed legislation that will further expedite FDI. I must say that in the past few years business houses of both Nepal and India have come closer and played a very significant role in promoting economic ties between our two countries and I applaud their continued efforts towards attaining a result oriented outcome."

Mentioning the recent trade scenario Minister for Commerce & Supplies Mr. Thapa said "India is Nepal's largest trade partner. For example, 67 percent of our global trade is with India and further in the regional areas, 92% of our trade is with India. I believe the private sector and market forces can play an instrumental role in solving developmental problems. I think the innovation propelled by competition within the private sector can lead to a solution that integrates markets and communities together in their attempt to solve developmental issues."

Minister for Commerce & Supplies Mr. Thapa said "India is also one of the largest development partners of Nepal. Because of the market size of India, our common geographic border and the landlockedness of my country, these figures seem very natural. However, when we discuss these issues in the perspective of balance of trade payment, employment creation and income generation, particularly poverty reduction, these figures raise serious concerns. These issues become more severe when we compare the political and economic strengths of both our countries. India is one of the World Powers which is now being considered as the engine of



global growth. The whole world is focusing on ways to explore economic opportunities available within India."

Mr. Thapa further opined "Nepal needs to extensively utilize the economic and trade opportunities available in India. However, in spite of the geographical proximity and willingness to do so by both the countries, Nepal has not been able to take advantage of these opportunities due to several problems such as: acute shortage of electricity, weak productive capacity, inadequate infrastructure, low Foreign Direct Investment, inefficient trade facilitation infrastructure including complex rules and regulations, absence of an accreditation board, lowering margin of preferences etc. These problems list is not exhaustive but only indicative and we need to sort them out to our mutual interest."

Urging for need of further FDI and implementation for trade facilitation measures, Mr. Thapa said "Although there is always room for improvement; trade, transit and railway service agreements have already been signed which will benefit both our countries. Furthermore, Nepal and India have been implementing some trade facilitation reform measures. Moreover, Indian investors are investing in Nepal in several sectors which

will promote trade and investment in both countries. India's investment in the hydro and energy sector will not only promote trade and investment but will also be instrumental in fostering the growth of many other sectors."

However, considering the rapidly growing economic strength of India and our traditional cordial relationship, we expect more support from India in FDI, market access, technology transfer, availability of new seaport, removal of non tariff barriers and technical support."

Summing up the address, Mr. Thapa expressed "to benefit from each other's economic potentiality and opportunities, we not only need to implement all previous agreements including regional and multilateral in the true sense, but we also have to explore new ways to further promote bilateral trade and investment which will lead to overall economic prosperity for the people of both the countries, in particular, the marginalized population."

*Continued on page 5*



## Interactive program with newly appointed Minister .....

### Address by H.E. Ambassador

Addressing the gathering, H.E. Ambassador of India Mr. Ranjit Rae expressed "We in India look at recent developments in Nepal very optimistically. It is our firm belief that durable peace and security will be achieved only through economic development. Recent development including holding of the elections to the constituent assembly, the establishment of new government, major initiatives which have been taken towards the drafting of the constitution are extremely well for peace and stability in this country. Together with this we feel that the commitment of the government to promote economic development through second generation reform that you refer to under the Finance Minister has often spoken about would create a very good base for a rapid economic growth and prosperity. As your Excellency mentioned India is the largest trading partner is perhaps also one of the most significant investment partners of Nepal. We are working very closely with NICCI to identify specific areas that we feel hold great potential in the bilateral economic relationship."

Mr. Rae further said "If one looks at the competitive advantages of Nepal, there are sectors I think that we can focus on that will be rewarding for both countries. Your Excellency already referred to the Hydropower sector, in this area again we are extremely encouraged by positive developments and we hope very much that PDAs for some of the hydropower projects will be signed very soon. At the level of the government, we are engaged in the establishment of a new institutional arrangement for regular interaction between our two ministries of power; we are also looking at the framework agreement which will also encompass power trade between the two countries."

Further talking on Nepal's trade deficit vis-à-vis her potentialities, H.E. Ambassador opined "References often made to the ballooning trade deficit between India and Nepal, Your Excellency also mentioned this in his speech. To our minds, one of the best ways of addressing this trade deficit, of course for Nepal, is to export hydropower to India. I think this is perhaps the shortest way of addressing the problem of huge trade deficit. This is not to say that we should not focus on other sectors. I think Nepal has huge potentials - whether it is in the field of agriculture - specially high value agriculture, whether it is tour-



ism and the service sector, educational services, medical services, whether it is agro processing, manufacturing industries specially in the plains, I think the possibilities are enormous. We need to have a focused approach on each of these sectors and what I have been suggesting to our friends in NICCI and in the Indian Business Forum is to identify specific sectors and identify the issues we would like to see addressed in order to promote cooperation in these sectors."

Making a correlation between government and private sector, H.E. Ambassador said "I think the inter-governmental committee is playing an extremely important role but I would like to see the private sector working in conjunction in the inter-governmental committee on commerce and trade related issues. At the level of the government I think we play the role of facilitators, we can create legal, institutional arrangements necessary to facilitate trade. We can create a physical infrastructure, whether it is the integrated check post at the border or the connectivity through road, rail, power transmission lines but I think the private sector is really the one that has to promote the trade between the two countries. So I feel that there should be a very symbiotic and organic relationship between the private sector and the inter-governmental committee. In future we will see meetings of our joint economic councils between the private sectors of the two countries prior to the meetings of the inter-governmental committees so that private sector's views can feed in to walk and the deliberations at the governmental level so I think we would like to see this connection established as soon as possible."

H.E. Ambassador further said "Secondly the inter-governmental committees again to deal with the specific issues, trade related, transit related problems at the border, you can see some of the issues that have come up, laboratory testing things, like that and these are very very important issues. There is no doubt about these and these issues have to be addressed and these we have to resolve. Your Excellency referred to non-tariff barriers and certainly if there are any such barriers the government of India is very sincerely committed to addressing these issues."

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*Continued on page 6*

## Interactive program with newly appointed Minister .....

But I think equally important is the promotional role and I would like to see the inter-governmental committee actually taking initiatives to promote trade in new areas and new sectors provide impetus to significant enhancement of our bilateral economic cooperation, trade and investment. Handling the technical issues of course is extremely important and that has to be done but I personally feel that we should also focus on major initiatives to enhance our bilateral economic relationship.”

Regarding our bilateral trade, Mr. Rae expressed “Your Excellency mentioned that India is the major trading partner of Nepal which is a fact but if you look at in value in terms that total bilateral trade is not so significant, its less than 5 billion dollars, it’s nothing, I mean when I was in my last country that I was posted in Vietnam, I think the India’s bilateral trade with Vietnam was higher. In fact if you take away the import of petroleum oil and lubricants I think the figure comes down very sharply so I don’t feel very satisfied with the extent of the bilateral trade that we have between our two countries. So obviously I think the potential is enormous, we need to work strategically sector by sector to exploit this potential, bring companies engage in these sectors in the two countries together. Explain to them the opportunities that exist in Nepal and try, it will really increase the figures of bilateral trade. So I hope, Excellency, very much we look forward to working with you and your colleagues in a very focused and specific manner, looking at specific sectors of opportunities to promote this kind of cooperation. I was very heartened Excellency to hear from you that the government is committed to undertaking the second generation economic reforms. I think this will augur extremely well for more foreign direct investments not only from India from other countries as well.”

Talking about Indian joint ventures in Nepal and potential investors from India, Ambassador Mr. Rae said “Most of the Indian Joint Ventures operating in Nepal are extremely satisfied, with their experience and our eager to enhance that investments and I am sure companies that have not invested in Nepal as yet would do so once they are made aware of the opportunities. Indian companies are investing all over the world; there is no reason why they shouldn’t invest in Nepal.”

Mr. Rae further said “But also some of our local companies have been telling us about certain specific areas where they have some problems and reservations such as in the matter of IPR-(Intellectual Property Right) regime, particular implementation of issues relating to labour laws etc. and we are discussing with the concerned ministries. We have also raised these issues with the Honourable Minister of Finance. So we feel very optimistic with your second generation economic reforms. We have provided for major increase in terms of FDI in specially Indian foreign direct investments into Nepal and of course trade and investment are really related because India is a huge market and there is no reason why you can’t get investment in Nepal that will actually then subsequently feed the Indian market, there are so many advantages of location, transportation, open borders, preferential trading regime so there is no reasons why these opportunities cannot be exploited.”

Concluding the remarks, H.E. Ambassador said “I would like to conclude by thanking your Excellency for sparing your valu-

able time to interact with NICCI and I also really want to thank NICCI, its President, its Vice Presidents for the work they are doing and I look forward to NICCI becoming one of the most important organization and flora in Nepal for economic cooperation particularly of course in context of our two countries. I also want to congratulate NICCI for the all good work they are doing, the initiatives to promote bilateral economic cooperation particularly in the field of trade and investment, the recent establishment of the Indian Business Forum as part of NICCI and the major initiative that they have taken to promote our bilateral economic ties.”

### Floor Discussion

Replying a question from the floor on Commerce & Supply Ministry’s views and steps going to take in near future to finalize the 5 letters of exchanges which are at Government of Nepal, Chief Guest Mr. Thapa said “Actually these five letters of exchanges have really been utmost concerned to our ministry because it also reflects on how we should move forward based on our agreement. I know that these letters have all been filed up at Ministry of Foreign Affairs and in fact our ministries are working closely in order to streamline this procedure so that it could be sent to the cabinet and to be ratified by the cabinet as soon as possible. But in the mean time I would also like to share information with you that two issues that had been agreed in the IGC on bulk transportation and import of car have already been agreed upon by ministry and it has been sent to the cabinet for the approval. Yes, definitely these five letters that have brought my attention. I have already spoken with the Ministry of Foreign Affairs to expedite these issues as soon as possible so that in coming weeks we have some concentrated efforts made on this issue.”

Regarding a question from the floor on export of betel nut from Nepal to India through unauthorized grey channel which had been an issue of quite some time and not been able to resolve so far though there were several promises, also causing revenue loss to Government of India, Commerce & Supplies Minister Mr. Thapa said “Yes, this has definitely been brought to my notice during my meeting with the department of commerce. We are also serious of this kind of activities that take places of the border area and also in the periphery. We are working on trying to find the solution to this issue which will also have long term effect” .



## Interactive program with newly appointed Minister .....

Regarding next question on minister's thoughts of forming task forces to identify potential areas of short term and long term cooperation to promote trade and industry in Nepal, Mr. Thapa said, "On this issue I would like to give you my own example that working with United Nations for 23 years I spoke less but I did lot of action oriented works to save millions of lives. I am not in favor of creating too many task forces because it creates more level of bureaucratic problems and then it just keeps going from one desk to other desk. that is a reason I brought up specialized cell where people talk about one window policy but if you need to work hard and need results we should not waste time because every donors and investors who have money

would not wait for too long, they would like to invest at the right time so the whole history of creating this specialized cell would look into all the dynamics of investors to ensure that we move forward so that their jobs are done in time and their investment is made in an appropriate time and place."

Bidding the vote of thanks Mr. Budhaditya Mukherjee, Vice President of NICCI said "Whatever we are doing, we are working together for a very common goal, the goal is to make Nepal a better and prosperous country, where all the stakeholders right from investors to common citizens flourish"

## IBN authorised to hold talks with investors for transmission lines

Investment Board of Nepal (IBN) has been authorised to hold negotiation with investors for the development of transmission lines for hydropower projects above 500MW capacity. An IBN board meeting on Saturday took a decision to this effect considering the fact that hydropower projects like Upper Karnali have to construct transmission lines on their own, but IBN had been mandated to negotiate only for electricity generation.

As IBN is currently holding negotiations with three foreign developers for Power Development agreement (PDA), it had sought the board's nod to include the issue of transmission line in PDA negotiations. "Our request was to make both generation and transmission line construction one project," said IBN CEO Radesh Pant.

The meeting, chaired by Prime Minister Sushil Koirala, has also agreed in principle to offer tax exemptions to hydropower projects that start electricity generation within 2018. Industry Secretary Krishna Gyawali said the meeting agreed to waive 100 percent income tax for 10 years for hydropower projects that start generating electricity within 2018. "Income tax exemption will be 50 percent for the following five years," he said.

On income tax exemption and other incentives, the meeting directed the Finance Ministry to form a study committee with representations from Finance and Energy Ministries and IBN,

and make amendments to related Acts based on the recommendation of the committee.

In a twitter message, Finance Minister Ram Sharan Mahat has claimed that the Saturday's meeting has paved the way for signing of PDA with four big hydropower projects. However, MoE officials say they are uncertain until the amendment to laws related to PDA is endorsed in parliament.

Negotiations for signing PDA with Upper Karnali (900 MW) with GMR Energy Limited and Aurn III (900 MW) with Sutlej Jalbidhyut Nigam is underway. However the IBN is yet to start negotiations with the promoters of Tamakoshi III and Upper Marshyangdi II.

Amid differences between the IBN and line ministries over the ownership of three projects — Kathmandu-Tarai Fast Track, Tribhuvan International Airport upgradation and Second International Airport (SIA) — the meeting directed the Tourism, Physical Infrastructure and Transport Ministries and IBN to hold a meeting within a week and come up with common understanding.

"The board has sought a proper plan for these projects," said Gyawali. "The government wants to take ahead both these projects simultaneously." TKP/TR2014-04-27

## Central bank increases ATM withdrawal limit in India

Cash-crunched Nepali travelers to India will get much needed respite, as the central bank has hiked the limit on ATM withdrawals from India, along with providing double Indian currency facility to those travelling for medical purposes.

Nepal Rastra Bank (NRB) issued a circular recently which states that the daily limit on withdrawals in India from the ATM cards issued by Nepali bank has been increased to IRs 15,000 from the existing limit of IRs 10,000.

The move is aimed at providing relief to the Nepali travellers and students in India that have to struggle with their expenses due to limit imposed by the central bank. However, NRB has kept the monthly limit unchanged at IRs 100,000.

Moreover, NRB has further decided to double the amount of Indian currency exchange facility provided to any Nepali travel-

ling to India for medical purposes. "Anyone going to India for medical treatment can obtain up to IRs 50,000 in cash on the recommendation of licensed medical practitioners," said NRB's Foreign Exchange Management Department.

Earlier, NRB allowed only IRs 25,000 to an individual traveler, irrespective of purpose. "It had been over three years since the central bank revised its Indian currency related policies, so we felt the need to change the limit based on the current need," said Bhaskar Mani Gnawali, spokesperson for NRB.

Likewise, Nepali importers and exporters can get up to IRs 50,000 to pay Indian transport companies that haul consignments.

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Indian side also agreed to cut down the non-tariff barriers while exporting herbs and herbal related products from Nepal. "The Uttar Pradesh (UP) government of India has enforced the local tax on the Nepali herbal products, however, the tax is nominal but it is taking more time to deliver the products," said Acharya, adding "That's why we have requested for the removal of local tax enforced by the UP government for the delivery of products without any obstruction."

Both sides have also agreed to harmonize the opening hours of the customs offices so that trucks and containers do not get stuck at the customs points, according to Acharya.

Indian side also offered to provide skill development training to Nepali customs officials on the valuation, classification, and Post Clearance Audit (PCA) so far.

Nepal has requested for the clearance of dues related to Duty Refund Procedure (DRP) worth Rs 2.41 billion, removal of countervailing duty enforced by India on Readymade Garment (RMG) and the utensils made up of bronze, and the construction of Integrated Check Post (ICP) as soon as possible.

**India to provide more customs facilities,  
Both side agree to open Birgunj/Raxaul Customs  
7 days a week**

Department of Customs and its Indian counterpart Central Board of Excise and Customs (CBEC) signed an 18-point agreement to curb unauthorized trade and boost legal trade between the two countries. India is the largest trading partner of Nepal. "The two-day talks concluded on Tuesday paving the way to smoothen trade relations between the two countries," said Surya Prasad Acharya, director general of the Department of Customs.

During the talks, the Indian side, led by Shova L Chary, had raised the issue of unauthorized export of gold and betel nuts to India. "Nepal is doing its best to control unauthorized trade to India," said Acharya, adding, "Indian side has expressed commitment to build infrastructure to support the trade between the two countries."

The talks covered a broad range of issues, according to Acharya. The Indian side agreed to provide food lab and banking facility at every customs point to facilitate Nepali exports to India.

Likewise, the meeting agreed to prepare transshipment draft for the Nepali cargo to avoid problems on the transshipments and additional fees and delays on the delivery of cargo. Regarding the issues raised by Nepali side on delay in the delivery of cargo from Calcutta and Haldia ports to Nepal and extra charges to due delay in the checking procedures, the Indian side also expressed commitment to cut down the cargo checking procedures to ensure timely delivery.

The Indian side has also agreed to provide easy entry to Nepali goods for the purpose of exhibition.

Likewise, Nepal and India have agreed to keep their respective customs offices in Birgunj and Raxaul open seven days a week in a bid to speed up customs clearance of Nepal's export and import cargo. Currently, shipments are cleared through customs only on five days of the week as Nepal observes the weekend on Saturday while Sunday is the weekly day off in India. During a meeting held between the directors general of the customs offices in Kathmandu, it was agreed that India would keep the Raxaul Customs Office open from 8 am to 8 pm daily.

Acharya said that the provision would help Nepali traders by reducing the time spent on customs clearance and expedite shipments. "This will minimize their shipment costs," he added. More than 60 percent of the country's imports enter through the Birgunj-Raxaul customs points. Despite the large volume of traffic, traders have been facing problems because cargo is held up at customs due to the extended weekend with Nepal and India taking consecutive days off. TKP/TR2014-05-1

***We solicit suggestions/feedback from all members and readers for NICCI e -Newsflash at [secretariat@nicci.org](mailto:secretariat@nicci.org)***

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