

Points for meeting with Hon'ble minister of state for Commerce
Smt. Nirmala Sitharaman
August 24, 2016

1. Hon'ble Minister, on behalf of the Nepalese business delegation and the FNCCI- an apex private sector representative body in Nepal, we would like to extend our heartiest gratitude to Hon'ble Minister for giving us this opportunity despite Your Hon'ble's busy schedule. It is indeed an honor and privilege for us.
2. Hon'ble Minister, India is Nepal's one of the major trading and economic partners. India has been supporting in Nepal's socio-economic development and we are very grateful for that.
3. The landmark Nepal-India Trade Treaty of 1996 has been instrumental in enhancing Indian investment in Nepal as well as increasing Nepal's export to India. But, Hon'ble Minister, in the recent years, Nepal's trade imbalance with India has been very alarming. It's been widening every year and already the export to import ratio has reached nearly 1:15 with India.
4. The ever-growing trade gap has become a real concern for Nepalese economy. We believe, India can play a pivotal role in narrowing down this gap by:
 - a. bringing in investment and technology in Nepal to enhance Nepalese productivity and competitiveness. They can invest in sectors like food processing, hydro power and services sector so that they can export to India;and
 - b. enhancing bilateral intra-industry trade and giving an opportunity to Nepali investors to be a part of the "Make in India" campaign by supporting the complementary industries in Nepal.
5. We also firmly believe that the non-tariff barriers like quarantine, SPS and TBT measures, stringent rules of origin have hampered Nepal's export to India. To address these non-tariff problems, we seek India's technical assistance in making Nepalese quality,

quarantine and SPS lab certification compatible to Indian Standard. And also relax the stringent R.o.O criteria for Nepali manufactured goods and simplify to a single criterion of 20 percent value addition.

6. We believe that the recently implemented Goods and Services Tax (GST) by the Government of India would have a positive impact on industrial growth in Nepal. The merchandise exports from India to Nepal enjoy the GST waiver facility, however there is still not clarity about the GST waiver on services export and on transit cargoes. It has made the procurement of services from India expensive. So, we request Hon'ble Minister to provide GST waiver facility in services export as well, irrespective of the currency of payment.
7. Hon'ble Minister, many global companies are setting up their showrooms in India to sell their goods. It will be more cost effective and supportive to our industrial growth, if we could be allowed to import third country goods from India. Likewise, it would also help our industry, if we could be provided a facility of bulk cargo movement to the nearest rail head of Nepal border like Nautanwa (Bhairahawa) and Jogbani (Biratnagar) from Kolkata and Vizag Port.
8. Recently, Nepalese LP Gas Industries are facing a huge problem in regard to the non-issuance of "Explosive Certificate" by the Petroleum and Explosive Safety Organization (PESO) of India to those bullet tankers which are designed and made by the Indian companies in accordance with the safety measures mandated by the PESO. This has halted the self-reliance of Nepalese industry and economy.
9. These are some of the pertinent issues that we would like Hon'ble Minister to address to enhance Nepal-India bilateral economic cooperation. We have a great hope and belief that Hon'ble Minister would kindly consider our request and resolve these issues.

10. We are also of the view that the Trade and Transit Treaty between Nepal and India should be reformed or updated from a deeper economic integration considering the contemporary developments in our economic ties. In this regard, we have done a study on “Reshaping the Nepal-India Trade” which I would like to share with Hon’ble Minister.
11. Taking this opportunity, I would further like to bring into your Hon’ble’s kind notice that FNCCI in cooperation with the Indian Embassy at Kathmandu is establishing a “Nepal-India Economic Cell” whose sole objective is to facilitate in addressing concerns raised in bilateral economic relation.
12. Hon’ble Minister, FNCCI in cooperation with the CII is going to organize the “Nepal India Business Summit” in November 2017. The objective of this Summit is to strengthen bilateral economic cooperation between our two countries. In this context, we would like to invite Hon’ble Minister as the “Keynote Speaker” and request to grace the Inaugural Ceremony. It would be a great honor and privilege to the entire Nepalese business community to welcome Hon’ble Minister and hear a deliberation on way forward in Nepal-India economic ties.
13. Lastly, we look forward to Hon’ble Minister’s convenient date to organize the event successfully. Thank you.