



HOW TO EXPORT TO EUROPE

CONCISE GUIDE OF RULES, PROCEDURES & DOCUMENTATION

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PREFACE

This Guide Book has been published to record useful presentations and analysis made by experts and valuable discussions at the three day practical workshop conducted by European Economic Chamber (EEC) Nepal in Kathmandu in April 2017.

The training program on “How to Export to Europe” organized by EEC Nepal was one of the most timely and concentrated program focused towards the need to re-enforce and re-energize export trade activities to European markets. Globally, Europe has remained as one of the most prosperous single market for the exporters of other parts of the world who want to penetrate and stabilize in this vibrant market. One has to go through several pre and post export requisites to sustain for its existence in this market full of challenges and opportunities. The program had tried to impart required knowledge and know-how to the trainees to make them competent and aware of process and procedures for exporting to European market. For the first time in Nepal, REX regulation, the modified version to replace GSP Form A to get benefit of this arrangement from the export of eligible Nepalese export products to Europe had been included elaborately presented and discussed.

There is need to narrow down the ever widening trade deficit gap between national export and import which was alarmingly 1:13 in recent time with the imports sky rocketing to 48.8 per cent European Market being an affluent and vibrant markets segment of the world can attract and absorb a wide range and volume of imports from round the corner of the world including least developed countries and Nepal can offer a good range of products to this high value market. The European market with its ever expanding demand can be instrumental to raise the economy of Nepal provided that the export sector of the country matches the requirement of this market with cost and quality effective exports and updated know-how, procedures stretching from export base in Nepal to its ultimate destination in Europe.

I thank expert presenters Mr. Murari P. Gautam Upadhyay, Mr. Tej Sing Bista and Mr. Suysah Khanal for their valuable presentations. I also appreciate Secretary General Mr. Rajan Sharma for his excellent coordination and organization of the program as well as presentation at the workshop. Technical input and support from Export Marketing Expert Mr. Bharat Bahadur Thapa and Mr. Laxman Nepal are highly appreciated. Mr. Thapa has also contributed in the writing and editing of this guidebook for which I thank him personally.

I thank all the participants and EEC Nepal secretariat for their hard work and contribution for making the workshop highly successful.

In line of EEC Nepal objective to keep updated business information at hand to business operators, this Guide Book has been published and I hope the Book will be useful reference for all Nepalese exporters involved in the export to Europe and its users and concerned business people are expected to be well acquainted with the process, procedures etc. of doing export trade with EU countries.

Binayak Shah

President

European Economic Chamber (EEC) Nepal

October, 2017

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ABBREVIATION

ADC	: Administrative Co-operation
APC	: Advance Payment Certification
BOL	: Bill of Lading
CA	: Competent Authority
CHA	: Custom Clearing and Handling Agent
COO	: Certificate of Origin
CTD	: Custom Transit Declaration
DAP	: Delivery Against Payment
DGR	: Directorate General of Resettlement — re-settlement and welfare of ex-servicemen and their dependents ?
EBA	: Everything but Arms
EC	: European Commission
EEC	: European Economic Chamber
EU	: European Union
FF	: Freight Forwarder
GON	: Government of Nepal
GSP	: Generalised System Preference
GSP	: Generalized System of Preferences
HAWB	: House Air Way Bill
HBL	: House Bill of Lading
IGM	: Impact General Manifesto
IT	: Information Technology
LC	: Letter of Credit
LDC	: Least Developed Countries
MAWB	: Master Air Way Bill
MBL	: Master Bill of Lading
MOC	: Ministry of Commerce
PAN	: Permanent Account Number
REX	: Registered Exporter
ROO	: Rules Of Origin
SAARC	: South Asian Association for Regional Co-operation
SAD	: Single Administrative Document
TEPC	: Trade and Export Promotion Centre
THC	: Terminal Handling Charge
TIN	: Taxpayer Identification Number
UNCTAD	: United Nations Conference on Trade & Development
VAT	: Value Added Tax

EXPORT PRODUCTS TO EUROPE

Mr. Suyash Khanal

Deputy Executive Director, TEPC, Nepal

Nepal EU Relation

- Nepal- EU diplomatic relations in 1975
- Nepal and EU Co-operation Agreement in June 1996 that provides for Joint-Commission Agreement covering areas include trade and commercial cooperation, economic cooperation, development cooperation, joint investment, energy
- Generalized System of Preferences (GSP) - duty-free entry of Nepalese products to the EU market

EU Assistance in Trade

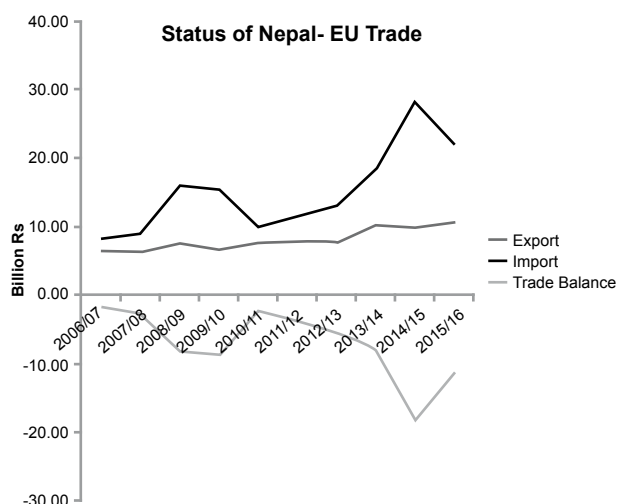
- Allocation of €2 million to tackle the issues of Sanitary and Phytosanitary Standards (SPS), and Technical Barriers to Trade (TBT) and enhance awareness amongst Government officials, the business sector and civil society
- Allocation of € 6 million for the Trade and Private Sector Development Programme (TSPD) that works together with organizations representing producers, exporters and importers. Coverage areas - trade policy and capacity building, quality infrastructure and value chain development.
- Trade Promotion Program from EU countries, like GIZ Germany, DFID UK

Nepal's Trade with EU, 2015/16

Export trade (14.1%) and Import trade (2.8%)

- The Total Trade : Rs. 32.52 Billion
(Average Annual Increment in 5 yrs : 17.7%)
- Export Trade : Rs. 10.62 Billion
(Average Annual Increment in 5 yrs : 8.7%)
- Import Trade : Rs. 21.90 Billion
(Average Annual Increment in 5 yrs : 22.7%)

Status of Nepal-EU Trade



EU-28 Trade in 2015

Share in World Import – 31%

Share in World Export – 32.4%

EU Countries	Share in World Import
Germany	6.4
United Kingdom	3.8
France	3.4
Netherlands	2.6
Italy	2.5
Belgium	2.3
Spain	1.9
Poland	1.2
Others	6.9

Nepal's Export to EU, 2015/16

Countries	Billion Rs	Share %
E.U.	10.62	
Germany	3.16	29.7
U.K.	2.85	26.9
France	1.28	12.1
Italy	1.14	10.7
Netherlands	0.52	4.9
Spain	0.36	3.4
Denmark	0.31	2.9
Belgium	0.26	2.4
Others	0.74	7.0

Import of EU Members, 2016

Countries	Million USD	Share %
India	48,046	0.9
Bangladesh	22,867	0.4
Pakistan	8,078	0.2
Cambodia	6,585	0.1
Sri Lanka	3,361	0.1
Laos	264	0.0
Nepal	112	0.0

Products of Export

HS Code	Description
57011000	Carpet knotted of wool or fine animal hair
62142000	Woolen shawls scarves mufflers mantillas veils and the like
62043200	W&G cotton jacket not knitted
56029000	Felt
62044200	W&G cotton dresses not knitted
61101200	Jerseys pullovers cardigans waistcoats and similar articles of kashmir (Cashmere) goats
62046200	W&G cotton trousers bibs and brace overalls breeches and short
41062100	Tanned or crust hides and skins of goats of kids without wool on whether or not split
63052000	Cotton sacks and bags
97011000	Paintings drawings and pastels
65050000	Hats and other headgear knitted or crocheted or made up from lace felt/textile fabric
61044200	W&G Cotton dresses knitted
48201000	Registers account book notebook order book letter pad diaries
09024000	Black tea fermented
61101100	Woollen jersey pullover cardigans sweater waistcoat knitted
97019000	Collages and similar decorative plaques
63101000	Used or new rags scrap twine cordage sorted
62045200	W&G cotton skirts not knitted
33012900	Essential oils other than those of citrus fruit
62034200	M&B cotton trousers not knitted
62064000	W&G blouses, shirt & shirt-blouses of manmade fibers
41041900	Tanned or crust hides and skins of bovine or equine animals without hair on

Some Potential Products

HS Code	Description
570110	Carpets and other textile floor coverings, of wool or fine animal hair, knotted
090831	Cardamoms, neither crushed nor ground
090240	Black fermented tea and partly fermented tea, whether or not flavoured
621420	Shawls, scarves, mufflers, mantillas, veils and similar articles of wool or fine animal hair
620432	Women's or girls' jackets and blazers of cotton (excluding knitted or crocheted, wind-jackets)
560290	Felt, impregnated, coated, covered or laminated (excluding needleloom felt and stitch-bonded)
121190	Plants, parts of plants, incl. seeds and fruits, used primarily in perfumery, in pharmacy
970110	Paintings, e.g. oil paintings, watercolours and pastels, and drawings
630520	Sacks and bags, for the packing of goods of cotton
091011	Ginger, neither crushed nor grounded
650500	Hats and other headgear, knitted or crocheted, or made up from lace, felt or other textile fabric
230910	Dog or cat food, put up for retail sale
620442	Women's or girls' dresses of cotton (excluding knitted or crocheted and petticoats)
620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton

Major Potential Products to EU

HS Code	Germany	HS Code	United Kingdom
420222	Handbags, whether or not with shoulder straps,	650500	Hats and other headgear, knitted or crocheted, or made up from lace, felt or other textile fabric
090240	Black fermented tea and partly fermented tea, whether or not flavoured,	560290	Felt, impregnated, coated, covered or laminated
830629	Statuettes and other ornaments, of base metal, not plated with precious metal	611691	Gloves, mittens and mitts, of wool or fine animal hair, knitted or crocheted
HS Code	France	HS Code	Italy
630120	Blankets and travelling rugs of wool or fine animal hair	410621	Hides and skins of goats or kids, in the wet state "incl. wet-blue"
482010	Registers, account books, notebooks, order books, receipt books, letter pads	410419	Hides and skins of bovine "incl. buffalo" or equine animals
711311	Articles of jewellery and parts thereof, of silver	560290	Felt, impregnated, coated, covered or laminated

Export products from Other Countries

HS Code	India
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted
640399	Footwear with outer soles of rubber, plastics or composition leather, with uppers of leather
711319	Articles of jewellery and parts thereof, of precious metal other than silver
620640	Women's or girls' blouses, shirts and shirt-blouses of man-made
640391	Footwear with outer soles of rubber, plastics or composition leather
420310	Articles of apparel, of leather or composition
620630	Women's or girls' blouses, shirts and shirt-blouses of cotton
090111	Coffee (excluding roasted and decaffeinated)
420221	Handbags, whether or not with shoulder straps, incl. those without handles
531010	Woven fabrics of jute or of other textile bast fibres of heading 5303, unbleached
091030	Turmeric "curcuma"
HS Code	Sri Lanka
	Readymade Garments
401290	Solid or cushion tyres, interchangeable tyre treads and tyre flaps, of rubber
090230	Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings
HS Code	Bangladesh
	Readymade Garments
420292	Travelling-bags, insulated food or beverage bags, toilet bags, rucksacks
640299	Footwear with outer soles and uppers of rubber or plastics
611610	Gloves, mittens and mitts, impregnated, coated or covered with plastics or rubber
410449	Hides and skins of bovine "incl. buffalo" or equine animals
HS Code	Pakistan
	Readymade Garments
420329	Gloves, mittens and mitts, of leather or composition leather
640399	Footwear with outer soles of rubber, plastics or composition leather
420292	Travelling-bags, insulated food or beverage bags, toilet bags, rucksacks
HS Code	Loas
	Readymade Garments
090111	Coffee (excluding roasted and decaffeinated)
640391	Footwear with outer soles of rubber, plastics or composition leather
121190	Plants, parts of plants, incl. seeds and fruits, used primarily in perfumery, in pharmacy
HS Code	Cambodia
	Readymade Garments
640399	Footwear with outer soles of rubber, plastics or composition leather
100630	Semi-milled or wholly milled rice, whether or not polished or glazed
420292	Travelling-bags, insulated food or beverage bags, toilet bags, rucksacks
420222	Handbags, whether or not with shoulder straps

Sanitary and phytosanitary requirements

General principles and requirements of food law, establishing the European Food Safety Authority and procedures for food safety that include

- Food legislation applies at all stages of the food chain from production, processing, transport and distribution to supply.
- Traceability - importers of food and feed products must identify and register the supplier in the country of origin
- Specific marketing and labeling requirements
- Rules on residues, pesticides, veterinary medicines and contaminants in and on food

Technical requirements

- Product safety, Technical standardization , Packaging and Labeling
- general health and safety requirements, as well as specifications for meeting these general requirements are found in the standards applicable to each product.
- Restriction on the use of certain chemical substances in jewellery products
- Textile products, are given an accurate indication of their fibre composition
- EU Eco-label or “Flower logo” for textile products - lowest environmental impact in a product range.
- The main purpose of technical harmonization within the EU is to remove technical barriers which may result from diverging technical standards in the Member States.

Labeling

Labelled and marked in a durable, legible, visible and accessible way, to indicate their fibre composition

- Protect consumers’ health, safety and interests
- Provide product information - content, composition, safe use and special precautions, etc
- CE Marking on a product - manufacturer’s declaration that the product complies with the essential requirements of the relevant European health, safety and environmental protection legislation
- Symbol of Safety and Passport to Europe

Name of the food
List of ingredients
Net quantity
Minimum durability date
Storage conditions or conditions of use
Country of origin
Instructions of use
Lot marking
Nutrition declaration

Packaging

- Packaging marketed within the EU must comply with the general requirements which aim at protecting the environment, as well as with the specific provisions designed to prevent any risk to the health of consumers
- General requirements related to packaging and packaging waste
- Specific provisions related to package sizing
- Specific rules on nominal quantities for pre-packed products
- Special rules for materials and articles intended to come into contact with foodstuffs
- Imports into the EU of packaging made of wood and other plant products

Responsibility

- No child labor, forced or bonded labor
- Core labour standards of the International Labour Organisation (ILO) and several additional standards.
- Codex Alimentarius - collection of food standards, guidelines and codes of practice recognized by the World Trade Organization as the “benchmark” standards for national food safety regulations.
- Socially just and environmentally sustainable.

Voluntary Responsibility

- Environmental, Social, Sustainable, Ethical etc. standards
- Credibility of products

Registered Exporter System (REX)

- Registration of exporters in GSP beneficiary countries
- system of self-certification of origin by registered exporters
- REX system to be first applied for the Generalized System of Preferences
- REX system simplifies export formalities by allowing the registered exporter to certify the preferential origin himself by including a specific declaration
- exporter provides the competent customs office with the necessary information for being registered
- Once the REX number is assigned to him, the exporter may use it for all his exports under preferential arrangements where the system of certification of origin applied is the REX system
- Modification of registration data: once registered, a registered exporter has the obligation to communicate to his competent authorities all changes on his registered data.
- Revocation of exporters: company ceases to exist or the registered exporter commits fraud

Necessity

- Accredited Lab/Certification
- Marketing strategy, Trade fair, Brand promotion, B2B, Market Intelligence
- Economic Diplomacy
- Export strategies,
- Modern technology and innovation



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HOW TO EXPORT TO EUROPE?

Murari P. Gautam Upadhyay

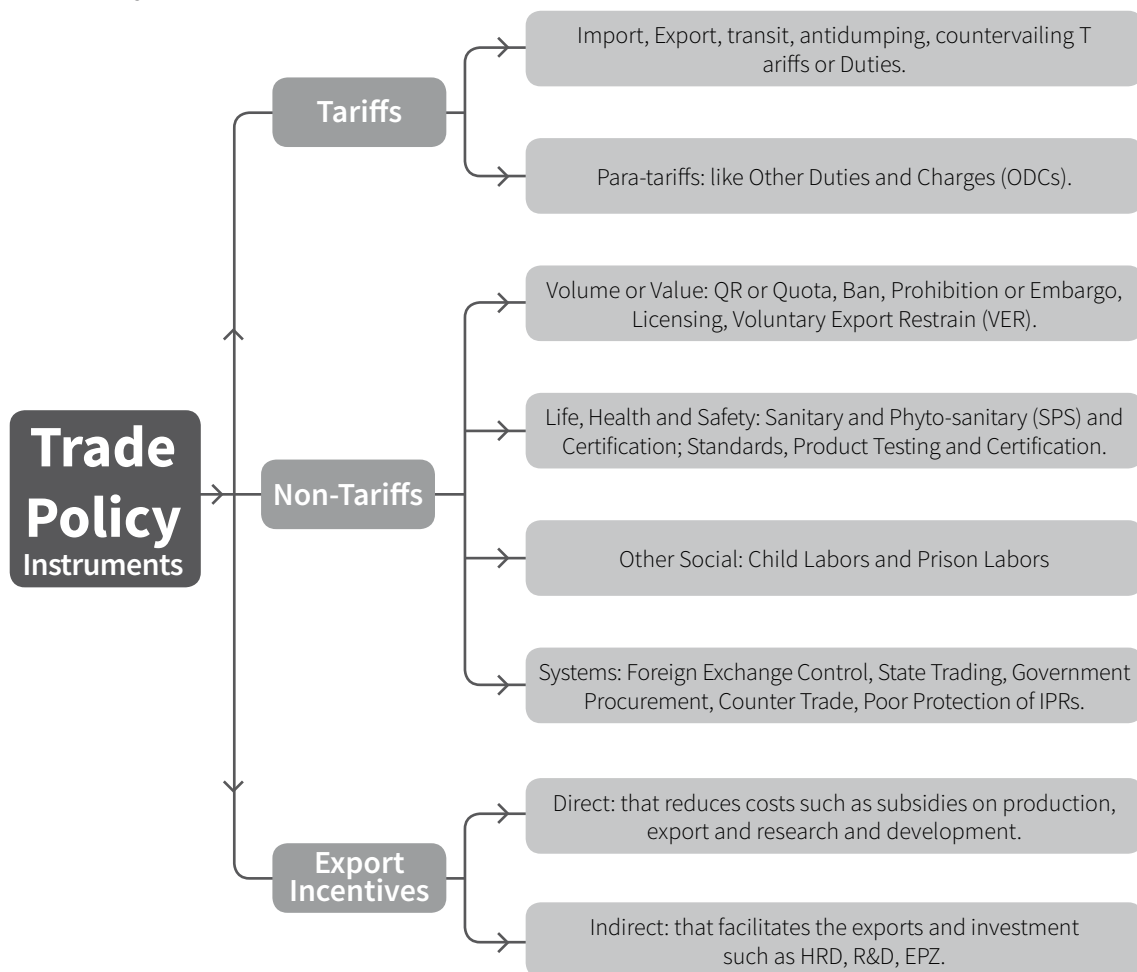
International Trade Consultant

The European Union

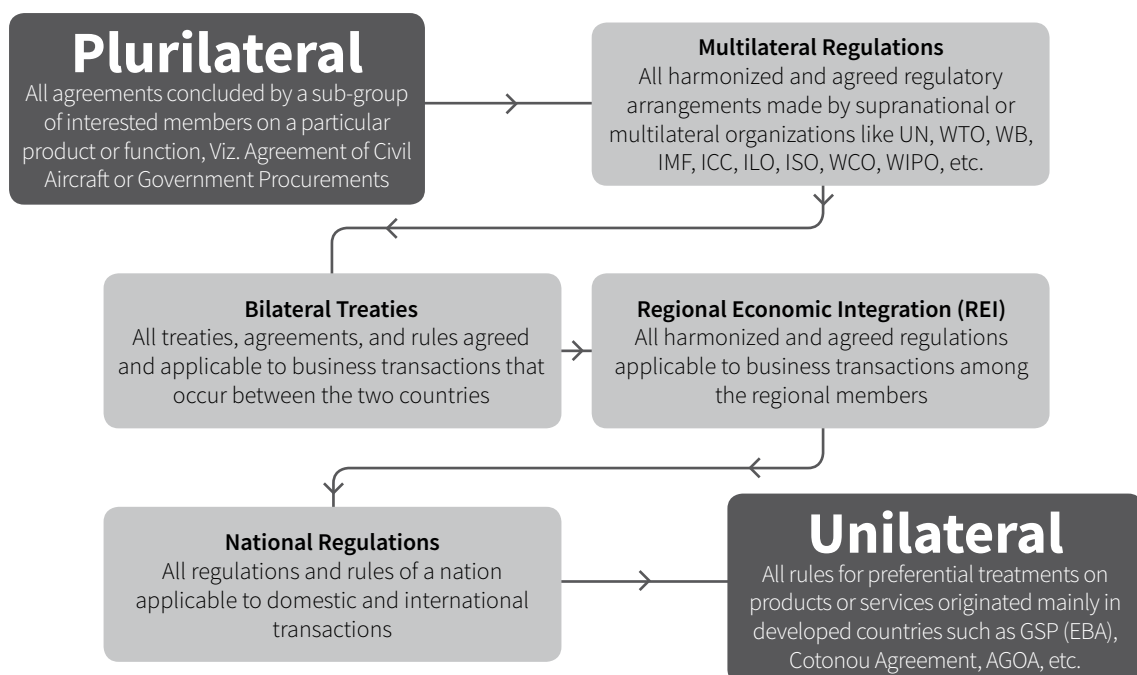
- EU GDP in 2015: €14,600 B.
- Per capita GDP: E 26,500
- Population: 510.1 m. 2016
- United Kingdom - voted to leave EU June 24 2106
- Unemployment Rate: 12%



Trades are done by Entrepreneurs and Government facilitates trade & uses policy instruments with different objectives

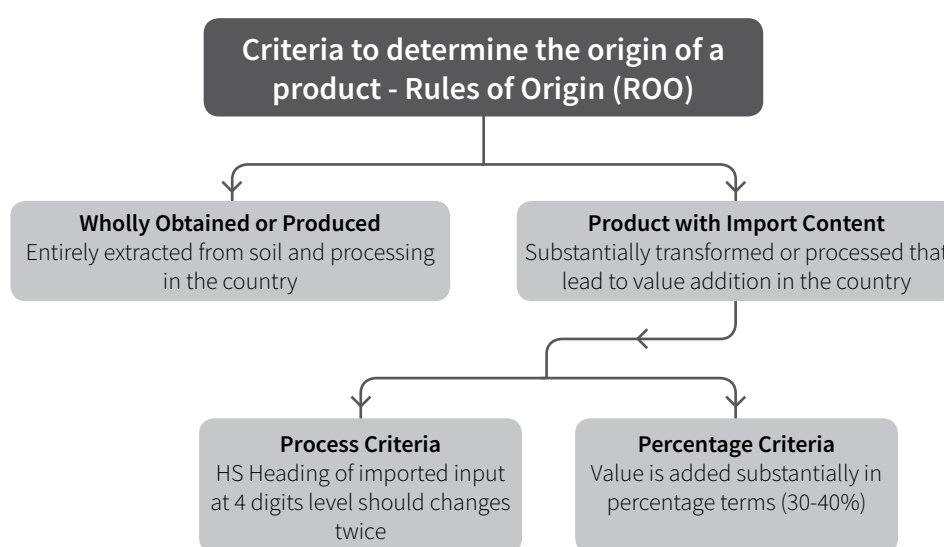


The Hierarchy of Regulatory & Institutional Mechanisms



EU Market Access to Developing Countries through Generalized System of Preferences (GSP)

- Created by UNCTAD in 1971 – EU Scheme up to 2023
- Objectives and Benefits: Generate additional export, fosters economic and income growth and supports job creation through reduced tariffs on imports.
- Arrangements: (a) General – 30 countries up to 66% EU tariff lines; (b) GSP+ (special) 13 Countries, which ratify and effectively implement core international human and, labour rights, environment and good governance conventions up to 66% and (c) EBA for 49 Least Developed Countries (LDCs).
- Features: (a) Non –reciprocal (unilateral), (b) Non-discriminatory, (c) Each group/country has its own scheme with product list with depth of tariff cuts and (d) beneficiary list.
- Eligibility: (a) Fulfills criteria of COO, (b) Direct Consignment and (c) Documentary evidence (GSP + certificate of origin).



Everything But Arms (EBA) under GSP

– *Duty free & Quota free Treatment for all LDCs*

Objective:

To help further to LDCs to integrate into the Global economy by providing DFQF entry into the European countries to all product excluding arms. 2014-2024

Exception:

Sugar, bananas, and rice for limited time and ammunitions for all time.

The European Single Market (integrated market)

EU is the Common Market or a Single Market that seeks to guarantee the free movement of Goods, Capital, Services and People - the “four freedoms” – within the European Union.

Features:

- No tariff and non-tariff barriers
- Common External Tariffs
- Freedom of Factor mobility
- Harmonized Fiscal, Fo-ex and Monetary Policies

Stages and Features of REI

Types	Features			
Free Trade Area (FTA)	AOB			
Customs Union (CU)	AOB	+ CET		
Common Market (CM)	AOB	+ CET	+ FFM	
Economic Union (EU)	AOB	+ CET	+ FFM	+ HFMP

Notes:

AOB - Abolition of Tariffs and Non-tariffs Barriers

CET - Common External Tariffs

FFM - Freedom of Factors Mobility

HFMP - Harmonized Fiscal and Monetary Policies



- European Union (EU)
- African Union (AU)
- Union of South American Nations (UNASUR)
- Caribbean Community (CARICOM)
- Central American Integration System (SICA)
- Arab League (AL)
- European Free Trade Association (EFTA)
- Eurasian Economic Community (EAEC)
- Association of Southeast Asian Nations (ASEAN)
- Central European Free Trade Agreement (CEFTA)
- North American Free Trade Agreement (NAFTA)
- Pacific Islands Forum (PIF)
- South Asian Association for Regional Cooperation (SAARC)

EU Export Helpdesk

<http://exporthelp.europa.eu>

- It explains all you need to know about exporting to the EU, including:
- Health, safety and technical standards you'll need to meet
- Customs duties
- Internal taxes in each of the 28 countries
- The rules of origin that define where a product is from and whether it profits from preferential duty rates
- Documents required with your shipments.

EXPORTING TO EUROPE -6 EASY STEPS - 1

STEP - 1

- Check the customs code for your product.
- Open the search box.
- Browse the classification tree or type a keyword.
- Define your product, the exporting country and the importing country.

STEP - 2

The results for your product are right there:

- Check **Requirements** : *the health, safety or technical standards your product needs to meet.*
- Check the **Internal taxes** : *the VAT or excise duties for your product in the importing country.*

STEP - 3

- Check **Customs duties** : the standard rate of EU import duty for your product - a possibly reduced rate if the exporting country has a trade agreement with the EU or benefits from a preferential scheme - any quota or antidumping duties.

STEP - 4

- Check the **Rules of origin** for your product : they indicate the minimum processing of your product which must undergo in your country to be considered as 'originating' there - the origin depends also on where the inputs you use for your final product are from - the customs offices at EU borders will verify your origin certificate.

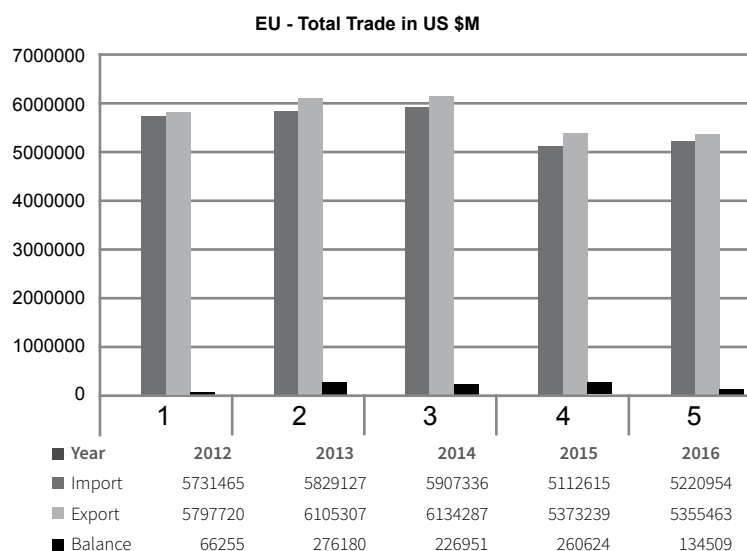
STEP - 5

- Check the **Statistics** : find out how much other countries are already exporting to the EU of your kind of product.
- **Ref** : Market Analysis Tools/ Trade Map of International Trade Centre and market reports of CBI.

STEP - 6

- Click on **Resources** to find :
 - more on product codes
 - chambers of commerce and customs offices in each EU countries or
 - additional information from your country.
 - Contact embassies in Nepal and Nepali embassies in target market.

EU is the largest market (31.7% of the world imports)



Nepal's Export Potentials (200 items in HS 4 digits)

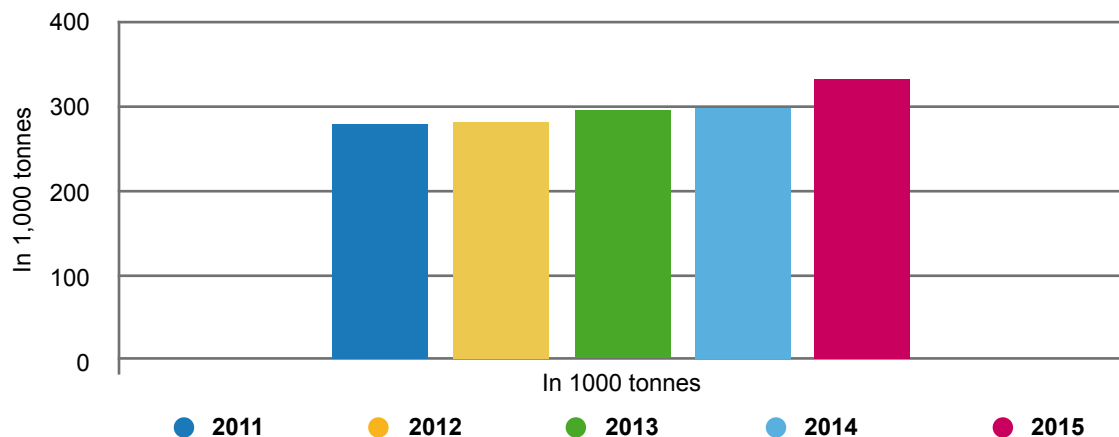
Exportable Highly Demanded Items

HS	Items	Exported
61	Knitted or Crocheted garments	Yes
62	All types if Garments	Yes
64	Footwear	Yes
21	Food Preparations	Yes
04	Cheese	Yes
71	Articles of Jewellery	Yes
19	Bread, sweet biscuits	
90	Tea and Coffee	Yes
42	Travelling-bags and handbags	Yes
22	Water, mineral	
22	Beer made from Malt	
06	Live plants and cut flowers	Yes
74	Wire of refined copper	
17	Sugar confectionery	
84	Micro transformers	
85	Parts of transformers	
97	Paintings	Yes
73	Iron products	
39	Sacks and bags	Yes
20	Fruit juices	
33	Sampos	
65	Hats and headgears	Yes
69	Ceramic products	Yes
42	Articles of leather	Yes
10	Durum wheat	
95	Christmas Articles	Yes
57	Carpets	Yes
73	Table, Kitchen houseware items	
61	Gloves, mittens and mitts	Yes
96	Ball-point pens	
04	Natural Honey	
07	Spices	Yes
13	Dried vegetables and extracts	Yes
21	Soups and broth	
61	Shawls, scarves, mufflers	Yes
	Hides and skins	Yes
	Felt products	Yes
	Trunk, suitcases and bags	Yes
	Essential oils	Yes
	Lamps and fittings	Yes
	Paper and paper products	Yes
	Paintings	Yes
	Pasta	Yes
	Statutes	Yes
	Printed matters	Yes
	Musical instruments	Yes
	Handicrafts	Yes

Case of Spices Exporting

Figure 1:

European Union imports of spices and herbs from developing countries (2011-2015)



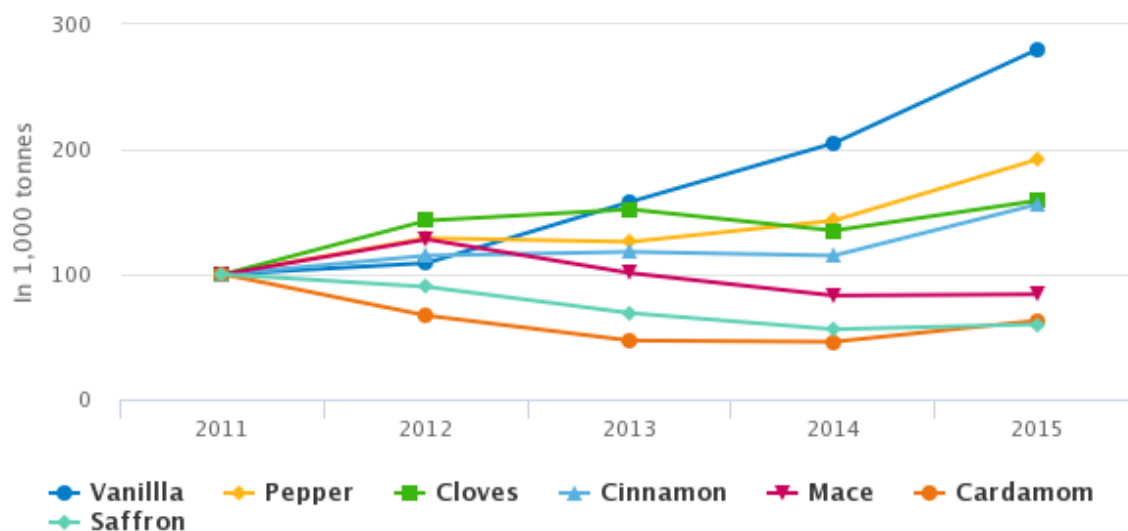
Source: Eurostat

Projected to grow at an annual growth rate of 7% from 2015 to 2020. This is the fastest growing market for spices in the world.

Nepal's prospects – Cardamom, Turmeric, Cinnamon & Ginger

Figure 2:

European Union import prices of spices showing the strongest fluctuations (2011-2015)



Growing awareness of sustainability

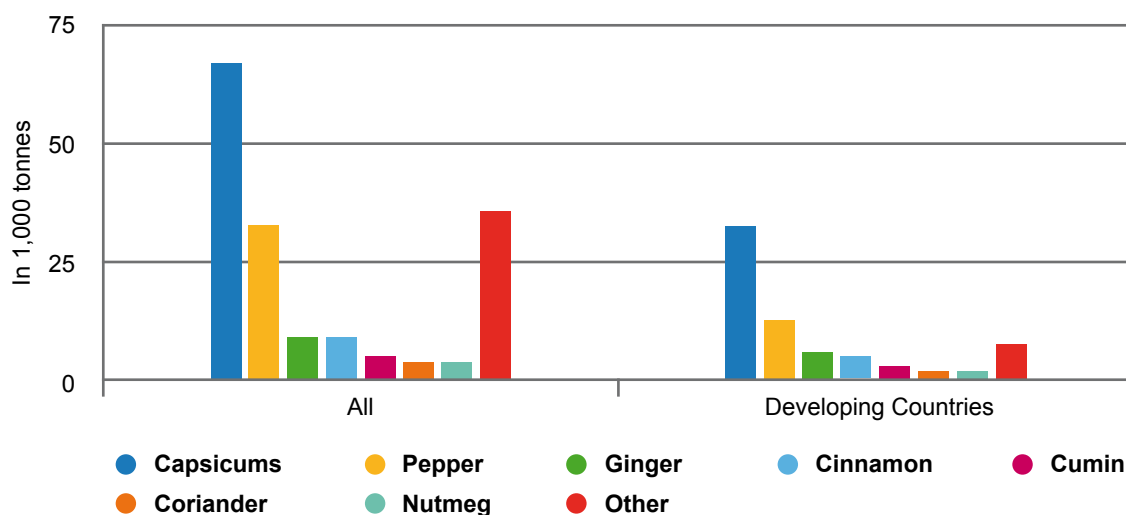
European buyers feel their responsibility for the social and environmental impacts from their activities. Their most important concerns include:

- Child labour
- Healthy and safe working conditions
- Respecting labour laws
- Paying minimum wage
- Correct use of pesticides (like meeting the legal limits for residues - MRLs)

European Consumers looking for Convenience and Health Living – Prospect - spice industries

Figure 3:

European Union import of crushed and ground spices and herbs (2015)



Buyer Requirements

Food safety: traceability, hygiene and control

Contamination free spices and herbs: Mycotoxins, Salmonella, Polycyclic aromatic hydrocarbons, Irradiation [H4], Food additives and adulteration.

Consumer labelling & Food Safety certification as a guarantee : BRC, IFS, FSSC22000 and SQF

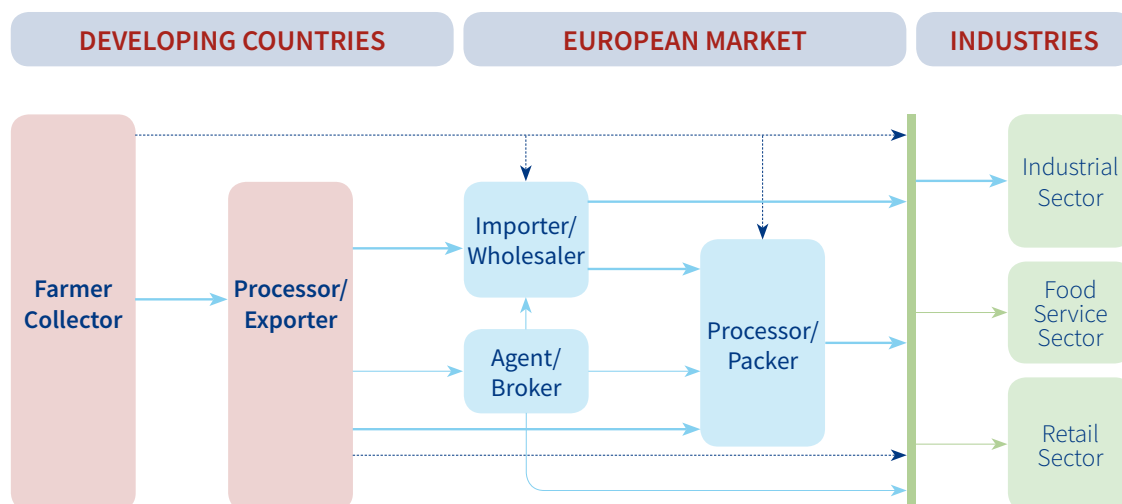
Corporate responsibility: social, environment

Niche Market Requirements: (a) Sustainable product certification, (b) Organic, (c) Fair Trade Certification, (d) Rainforest Alliance, and (e) Self-verification.

Niche Market Requirements



Market Channels



10 tips for doing business with European buyers of spices and herbs

1. Meet the required quality standards
2. Comply with food safety requirements
3. Provide clear product information
4. Develop a brand
5. Set reasonable prices
6. Choose your segment and channel carefully
7. Meet your buyers in person
8. Provide correct packaging and transportation
9. Be aware of differences in business culture
10. Deliver what you promise

Tips for Finding Buyers

1. Start by doing thorough market research
2. Decide which countries you want to focus on.
3. Study market requirements and prepare yourself well before starting to sell
4. Review the websites of European sector associations
5. Participate in trade fairs and conferences
6. Network and meet buyers face-to-face
7. Use direct marketing
8. Make sure you can be found online

***Don't forget that Exporting is a long term business –
At the initial stage new entrant should get success at domestic market***

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GENERALIZED SYSTEM OF PREFERENCES (GSP)

Form A and Modified Regulation of European Union “the REX System”

Tej Singh Bista

Officiating Executive Director,
Trade and Export Promotion Centre

Generalized System of Preference (GSP)

- In 1968 UNCTAD conference recommended the creation of GSTP to the developing countries.
- Most of the schemes started since 1971
- Nepal has been utilizing GSP facility Since the beginning. Which is more than last 40 years.
- TEPC issues the form A and make aware to the business communities about its benefits.

GSP Providing countries

EU (Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom)

The United States, Australia, Canada, New Zealand, Belarus, Japan, The Russian Federation, Norway, Switzerland and Turkey

The main objectives that forced GSP to come into existence:

- To Enhance Export earning
- To Promote Industrialization
- To speed up economic development

Main Characteristics of GSP

- Unilateral
- Non- discriminatory and
- Non- reciprocal

This is a Blank Cheque

This scheme, in others words is as a blank cheque scheme given by preference giving countries to the beneficiary countries to be filled by themselves.

Component of GSP : Rules of Origin

This is one of the most Important aspect of GSP scheme. Export product can be categorized in two groups.

Wholly obtained in the country

- Mineral products extracted form the soil or sea bed
- Vegetable products harvested in the country
- Live animals born and raised in the country
- Products obtained by hunting and fishing
- Waste and scrap resulting from manufacturing operations
- Goods produced from above products

Goods with imported content (percent of process criteria)

Almost all preference giving countries allow the beneficiary countries, the use of imported materials to some extent. But percentage level differs form country to country.

For example: In EU it is 70%

Value addition of minimum 30%

- Economically justified operation (following are not allowed)
 - *preserving operations*
 - *breaking-up and assembly of packages*
 - *washing, cleaning; removal of dust, oxide, oil, paint*
 - *ironing or pressing of textiles and textile articles*
 - *simple painting and polishing operations*
 - *husking and partial or total milling of rice; polishing and glazing of cereals and rice;*
 - *sharpening, simple grinding or simple cutting*
 - *slaughter of animals.*
 - *affixing or printing marks, labels, logos*
 - *simple placing in bottles, cans, flasks, bags, cases, boxes*

Cumulation

Regional Cumulation

- Products or the imported content of regional groups (example SAARC) may also be added while finishing the product

Extended Cumulation of EU

- Turkey, Norway & Switzerland
- Chapters 25 to 97 of the Harmonized System

Donor country content

- Imported content of preference giving country

Global Cumulation:

- All beneficiary countries are regarded as one; single area for determining origin. In other words value added and/ or manufacturing process in various beneficiary countries are added together in order to meet the origin requirement for products being exported by the country where the last working or processing was carried out.
- Australia, Canada, New Zealand, Russian Federation and Belarus allow global cumulation.

Documentary Evidence

It differs from country to country but most of preference giving country need following documents.

- Certificate of origin form A (combined declaration and certificate certified by the exporter)
- Commercial Invoice
- Airway bill
- Bill of lading
- GSP Form A signed by the competent authority (for Nepal Customs)
- Packaging list

Protection safeguard measures

Preference giving countries, to protect its industries specially by the huge imports from those countries (PRC) may suspend or apply quota system for those specific products, which causes adverse effect on competitiveness of those product in the home market.

Benefit/competitiveness of GSP

- Nepalese products can obtain more profit margins from the exports of its products to the EU and the other developed markets due to preferential treatment under GSP.
- In EU All products covered by GSP, but arms.
- There is lack of proper understanding of Generalized System of Preference (GSP).
- Thus Nepal is not fully utilizing the facility on the GSP.

Structure of the EU's GSP

EU grants GSP since 1971

Five arrangements are available for beneficiary countries.

- The general arrangements
- The special incentive arrangements for the protection of labor rights
- The special incentive arrangements for the protection of the environment
- The special arrangements for the LDCs
- The special arrangements to combat drug production and trafficking

EU's New GSP RULES OF ORIGIN

Commission's impact assessment

- GSP rules of origin are perceived as too complex and too restrictive
- Use of the preferences granted is low
- Simplification & development-friendliness by a single criterion in origin of *goods*.

Other criteria include a

- maximum permitted content of non-originating materials;
- change of tariff heading or sub-heading;
- specific working & processing operation; and
- use of wholly obtained materials.

Nepal is getting GSP facilities under the EU's Special Arrangements for the LDCs- EBA

- EU started Everything But Arms initiatives known as EBA for LDCs from 5 March 2001 which continues now.
- All dutiable products more than 7200 tariff lines (except Ch. 93) are duty free.

GSP form A filling method

There are 12 boxes in the form to be filled by the exporter

Box-1 Exporter's company name, address and country.

Box-2 Importer's company name, address and country.

Box-3 Means of transport & its route: for example if any cargo goes to Tokyo by Sea through following route: *Kathmandu- Kolkatta-Singapore- Tokyo*

Box-4 For official use

Box-5 Serial no of export items

Box-6 No of packages to be exported

Box-7 Type of product & how its packing/wrapping is done

Box-8 Information about the origin of the product. Wholly produced in Nepal or made with the imported contents together with the codes of the countries concerned.

For example if you are exporting Nepalese carpets to EU fill the box with "W" 5701-10

Box-9 Weight and quantity of exported product

Box-10 Serial no and date of Invoice

Box-11 Signature of custom officer of export customs point and stamp of that office together with date.

Box-12 Declaration by the exporter: "All description mentioned in the GSP form are true. Products are made in Nepal & meet the origin criteria of Importing country"

Some Issues in Nepalese perspective

- Proper stamping and signature
- Over writing while filling in the GSP form A boxes
- Incomplete or short address
- Some boxes in GSP form A are small to write all information
- Improper filling in box 8 of form A which is related to the origin criteria of the product to be exported
- Negligence or lack of proper information among some freight forwarders or exporters

Some remedies for the issues

- Proper information to the exporters
- Importers can also be contacted for proper info. of GSP
- Nepalese customs official should be informed regularly with proper information on GSP due to their frequent shift of duties
- Information to the freight forwarders time and again
- Exporters and freight forwarders may also be self active using search engine like: Google etc to see the changes on GSP scheme of the country concerned
- Regular interactions/ seminars on the GSP like we are conducting today can also solve the issues.

Now, EU has started New Provisions of GSP which is Registered Exporter System (the REX system)

- Since May 1, 2016 and entry into application of the Union Customs Code (UCC) the rule of REX system are laid down in Commission Implementing Regulation (EU) No 2015/2447 (the UCC IA for Implementing Act)
- New self-certification system called registered exporter system (REX) will replace the system of certification of origin by filling form A.
- The REX system is IT support system made available by European Commission. It will take the form of an application accessed with a username and password as website through internet.
- The REX is a system of certification of goods that is already applied in GSP of EU from January 1, 2017.
- The GSP beneficiary countries do not have to develop the system themselves.

There are three dates to join the REX system of EU

Jan. 1- Dec.31, 2017 transitional period for six months up to June 30, 2018

Jan. 1- Dec.31, 2018 transitional period for six months up to June 30, 2019

Jan. 1- Dec. 31, 2019 transitional period for six months up to June 30, 2020


- Six months for each dates. That means June 30, 2020 will be the last date
- The REX system will continue parallel during 12 months with extension of 6 months.
- Nepal government has already accepted to join the System from Jan. 1, 2017 & assigned MoC as REX Administration Cooperation (ADC) AND
- TEPC as REX Competent Authority (CA) for REG:
- Once REX ADC gets EU Login with proper username and password he/ she will assign CA to start the registration process for the exporter.
- CA will ask the exporters to fill in a paper based application and submits it with signature/stamp and back to Competent Authority with TIN.
- Alternatively, the exporter may fill the data required through a pre- application mechanism. This is website based. Print, signature and stamp it and submit it to CA.

<https://customs.ec.europa.eu/rex-pa-ui/>

Exporter → Competent Authority → European Commission

- But we have not started yet.
- Because orientation is necessary to give know how about the system.
- Once we get log in with EC we will start registration process.
- TEPC as a competent authority will request to the exporter to fill in the REX registration form and return it to TEPC.
- TEPC will assign a REX number to the exporter, submits it to EC and inform back to exporter.
- Registration of an exporter is one time operation.
- REX number is a string of up to 35 alpha numerical character including to reference to the country of issue
- For Nepal alpha is NP & REX then assigned number.....
- Unregistered exporter can make out statements on origin in the commercial invoices for the consignment of originating goods having a value which is less than Euro 6000/- (six thousand).

GSP Form "A"

1. Goods consigned from (exporter's business name, address, country) BAGMATI ARTS & HANDICRAFTS KATHMANDU, NEPAL.			Reference No. 76537 GENERALIZED SYSTEM OF PREFERENCES CERTIFICATE OF ORIGIN (Combined declaration and certificate) FORM A		
2. Goods consigned to (Consignee's name, address, country) WILTON INDUSTRIES INC. 1125 WEST TAYLOR RD ROMEVILLE IL 60446 USA.			Issued in NEPAL <small>(country)</small> <small>See notes overleaf</small>		
3. Means of transport and route (as far as known) BY LAND SEA			4. For official use		
5. Item number	6. Marks and numbers of packages	7. Number and kind of packages; description of goods	8. Origin criterion (see notes overleaf)	9. Gross weight or other quantity	10. Number and date of invoices
	NAME & ADDRESS OF CNEE.	FELT ITEMS ASSORTED AS PER INVOICE NO.: BAHC 66/67-171 DT.: 15 JULY 2010	NY 11 6305.90.00	43200 PCS	BAHC66/67- 171 15 JULY 2010
<p>at old form a, you must include the word NEPAL at the end of the description of goods.</p> <p>Sample copy</p>					
11. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct.  Government of Nepal Ministry of Finance Department of Customs Birgunj Customs Office KATHMANDU, NEPAL. 10/08/2010 <small>Place and date, signature and stamp of certifying authority</small>			12. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in NEPAL <small>(Country)</small> and that they comply with the origin requirements specified for those goods in the generalized system of preferences for goods exported to U.S.A. <small>(Importing country)</small> KATHMANDU, NEPAL. 10/08/2010 <small>Place and date, signature of authorized signatory</small>		

please put here also the town, country, and date as you did for right side

Statement on origin

- The exporter (number of registered exporter) of the products covered by this document declares that, except where otherwise clearly indicated, these products are of preferential origin according to the rules of origin of the Generalized System of Preferences of the European Union and that the origin criterion met is.....
- More detail on Commission Implementing Regulation (EU) No. 2015/2447- ANNEX 22-07



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DILEMMA OF EXPORT TO EUROPE FROM NEPAL

Cost reduction measures and international regulation compliance

Mr. Rajan Sharma

International Trade Operation Expert/Secretary General, EEC, Nepal

Objective

- Reduce Nepal's Transport Logistic Cost and increase the Doing business performance.
- Identify constraints Faced by Freight Forwarder's in enhancing the performance of Export.
- Way forward
- Conclusions

Introduction

- In Bound Logistics within INDIA (IMPORTS) (40% procedure, 55% of document required, 87% of time consumption, 75% cost + (HTPL 15 %) All happens within India and only Bilateral mechanism can address these issue)
- Out Bond Logistics (Exports) within Nepal (Forwarders) 65% in Import and 75% in Export (documentation, customs formalities, booking, transport/haulages, tracking and tracing, final delivery, banking documents etc)
- At the Boarder issues: Forwarders and CCA (custom's agent) (Coordinated by service providers Freight Forwarders and Custom's Agents)
- Beyond Boarder: Forwarders, All work is done by service providers.

Time Factor considered in the survey

- Time from origin to port: Varied Singapore to CCU 6 to 7 days, Colombo to CCU :9 to 10 days
- Time at Port inclusive of Custom clearance: Road: 4-6 days Rail 8 to 13 days (even more due to system of Forwarding number. Time to Nepal boarder. Road 4 days, Rail 4 – 6 days (at times more)
- Time at boarder crossing at least 1 day to 2 days by road and by rail 1 day at least.
- Time to custom clear and offload good at Nepal boarder : 1 t 2 days by rail or road.
- Time to return empties. 3-4 days road, Rail 5-7 days (at times over 13 days as well).
- Time for compliance of procedure: for return of empty container: Road: 1-2 days and rail 1 to 2 working days.
- Terminal handling (HTPL) 2 days average. Custom clearing and offloading by road 1 to 2 days.
- Road: total from landing to empty return:15 to 22
- Rail: total from landing to empty return: 22 to 32.

Cost Factor considered in the survey

- Cost to port (Ocean Freight) import/export freight cost by air
- Cost at port/airport premises (shipping line cost, port cost, CCA cost, THC, misc expenses)
- Port to Nepal boarder Transport cost (Road and Rail)
- Cost of return of empty (Inland haulage cost for air)
- Cost of detention and demurrage, Warehousing

Procedure issues considered in the survey

- Clearance procedure at Origin Port
- Procedure for IGM filing
- Procedure of release of goods by ship##

- Procedure of shifting
- Procedure of on forwarding (CONCOR)
- Procedure related to CGN Office (Kolkata) BIG barrier. (Contract between two Nations)
- Risk Management: Money, Time, Goods, Tax

Document Requirement

- Number of document needed for export/Import by air and by sea.
- How the documents can be forwarder (Information flow)
- Addressing discrepancy in documents.

Some constraints Identified on Land Transportation

- Transit time is too long. 28 days free time is not meeting while CONCOR is providing the best service.
- Dwell time at Port or CFS/Yard high.
- Provision for moving containers that are shifted at different CFS are lengthy.
- The cost of transfer to CFS, Moving to CT Care terminal is too high.
- Returning to shipping line CFS is also costly and mishandling is high, delay is high
- Railway lines and de-rail events is very high
- 34 steps of custom clearance at Kolkata
- Storage capacity at port, IT, equipment and labor issue is poor
- CHA cost varied
- Shipping line cost varied (d/o charge, washing, equipment imbalance etc)
- Stake holders coordination very poor
- Detention and demurrage charges very high
- Risk of doing business is high. (Due to Shipping lines extra safety provision)

Constraints of Air Transport

- Infrastructure
- Coordination
- Transparency on airlines agency network
- Risk Management provisions (Essential Oil example)
- Pilferages and damages
- Freight Cost high, (non-possibility of freighter flights)
- Space constraints
- Equipment /technology failure

Summary of Time, Cost, Document and Procedure etc.

	Sea	Air
Time	Too long	average
Cost (Port) (airport)	High	high
Procedure	Lengthy	lengthy
Documents	High	high
Coordination among port stake holders	Low	-----
Coordination at airport and Nepal customs	average	average

How Can Freight Industry Contribute to Export

- Manage documents
- Explain procedures
- Act as bridge between the shipper and consignees
- Inform about the regulation of the importing country

- Consolidate in reducing the cost of transportation
- Tracking the goods in transit
- Manage destination port/airport clearance and on forwarding to respective shop/stores/warehouse
- Give right transport document to negotiate with bank
- Managing the insurance and claim procedure
- Warehousing facilities
- Packing and labeling
- Right Document flow, Finance flow and Information flow
- Thus increasing your Predictability, Transparency, Accountability and traceability

Way Forward to make Freight Forwarders more responsible and liable

- Increase the capacity of Freight Forwarders (training)
- Address Treaty related issues
- Address Regulation issues
- Better monitoring of the Airlines, Dry ports, Transport providers
- Amendment in the MTO Act.
- Create better coordination between stake holders specially among SMEs and Micro enterprises.
- Infrastructure related issues
- Simplify procedure and document requirement
- Better Risk Management
- Better Agency cooperation with international forwarders.
- Need for a better understanding on international trading terms by Freight Forwarders/Importers/exporters in particular. (Inco Terms)

Export Problem

- By air: Space and Price, SPS, DGR, Packing and labeling
- By Sea: Procedure of bringing empty, Cost, Time, SPS, Return of Loaded containers by Rail or Rod
- NON Competitive Product ?
- Right Packing and labeling
- Compliance of DGR for Forest and Agro Products
- Obstruction at Ports and delays
- L/C compliance

Conclusions

The logistic is the issue

- (Time, cost, documents, procedures). No matter how much product you develop, if the cost of transport, procedure, documents and on time delivery is not possible no one is going to buy our products

SPS

- Accredited lab accepted on quality certification as required by the importing company.

Regulation

- Domestic and bilateral in line with multi lateral agreements.

Infrastructure:

- Road, ICD, ICP, Warehouse, equipment, IT etc

Coordination

- Within boarder, At the Boarder, Beyond boarder at transshipment point.

NO adequate preparedness among Exporters and Importers

- On rules and regulation, non capability of negotiation on Pvt and Public sector, on understanding of how international trade happens and who is liable and responsible until which point's, L/C compliance.
- Using the right INCO Terms. Transfer of risk, transfer of cost, transfer of goods and transfer of ownership or Title.
- Multimodel and its provisions to ease the way of doing business.

Export problems

Exports	Problems
Road Transport	<ol style="list-style-type: none"> 1. Difficult to get containers due to lengthy process of bringing in empty containers. 2. Using equivalent ship containers for export is risky due to pilferages which are beyond Freight Forwarders and CHA's control and liability. 3. Problem with the Treaty of Trade and Treaty of Transit on loss in transit. 4. Risk of Goods being confiscated is high and non-receipt of payment or enables bargaining to importer. 5. Risky to load at CFS by bringing the container there and sending back to port. High Cost.
Rail Transport	<ol style="list-style-type: none"> 1. Gives least priority to Export Cargo. 2. Cost of transfer of loaded container from CT CK is high. 3. Problem to use empty from Birgunj due to provision of release letter. 4. Indian customs: Do not operate at night and due to process of dearing at border (Indian) rail reluctant carry.
Port system	<ol style="list-style-type: none"> 1. Vessel closing two days prior to departure. 2. Documentation process re-filing at Kolkata customs though Indian customs at boarder is cleared and CTD issued.
CHA	1. Same as Import (at Indian Boarder unnecessary high money INR 3500/- per container 20 ft as Insurance charges.
Shipping lines	<ol style="list-style-type: none"> 1. High ocean freight cost for Nepalese export 2. Procedure to bring empty is lengthy 3. Non assurance of transit time 4. Bill of Lading discrepancy.
Documentation	Invoice, Packing list, Letter of Credit and covering letters, Authority letter, CTD, SAD, Etc.

Comparative chart of Rail and road movement. Below 20 MT and above 20 MT with weight of ship containers 20 and 40 ft. (CCU-BJR)

Activity	Rail		Road		Comments
	Min 20'	Max 40'	Min 20'	Max 40'	
Courier charges	\$3	\$3	\$3	\$3	
CHA Kolkata	\$105	\$135	\$105	\$135	
Shipping liners (THC, D/O, Dest.charges, Port charges etc.	\$250 min \$435 max	\$350 min \$725 max	\$250 min \$435 max	\$350 min \$725 max	
Transport charges	\$625 20 ft below 20 MT \$780 20 ft above 20 MT	\$980 40 ft below 20 MT \$1043 400 ft above 20 MT	\$955 min including empty return to liner plot \$1325 max below 30 MT	\$1100 min including empty return to liner plot \$1545 max above 30 MT in 40 ft	CONCOR at times ask the CHA to return the empty and extra cost is incurred. Return of already taken money for empty return from CFS (CT KR) to liner plot INR 2500 to 3500 not returned.
Indian boarder charges	15	15	30	30	CTD needs to be passed and cost incurred
Nepal boarder charges (HTPL for Rail) Unloading loading	90	132	90 unloading loading	132 unloading loading	
CHA Nepal charges	76	76	76	76	
Total	\$1164 min \$15.4 max	\$1691 min \$2064 max	\$1509 min \$2064 max	\$1826 min \$2646 max	

Extra cost (Unaware of Importer)

a. IGM wrong filing charges b. Detention charges c. CFS transfer charges d. Empty return charges e. Washing, damage of container etc. charges f. Ro/Ro, etc. g. If crain used as per actual h. BAF, Currency adjustment, conjection, etc.	1. All the charges (from a. to e.) are applicable on a case to case basis a. 20 ft 3000 and 40 ft 5000 + 15% b. 20 ft min \$52 to \$87 and 4 ft min \$75 to \$115 (max \$200) + 15% per day per container bb. Port detention charges (ground rent) after 10 days for road \$ 7 to 27 per day Rail up to 20 days: charges as above Please note : free time for road is 4 days but kept in port premises up to 10 days with applicable charges. c. 20 ft INR 3500 to INR 4500 d. INR 2500 to INR 3500 e. Varied charges from INR 3000 to 6000 f.g.h. At times by some liners or their nominated agents. <i>There are other charges of origin also passed to destination at times by shipper.</i>
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Suggestions

Actors	Suggestion
Importers	Training on way of doing International Business, INCO Terms, liability transfer and risk involved and Kolkata procedure etc.,
Supplier	Proper contract format a tool kit by government through Bank involvement to plan discrepancy less movement.
Importer duty: After receiving the documents from exporter (Supplier)	Awareness on the process of business, cost, time and procedure, responsibility of each actors in the supply chain.
Freight Forwarders/ CHA	Need to be under registration with ACT provision and TIR convention/MTO. Enabling them liability with internationally acceptance Insurance e system.
Shipping company	Need to clarify on cost and procedure prior to "On Board". Indian Government to be involved to identify the issues and solve the disparity in cost and provisions of procedure. They literally Cheat Importers/CHA and Freight Forwarders
CHA's	The extra custom clearing provisions to be abolished. Smooth movement through Automation.
port	Dwell time too high, forwarding to CONCOR too long, De-rail event, cost high, indifferent treatment for Rail and Road.
CGN	Role not clarified. Looks like a NTM barrier. The office staffs at CGN Needs Training on document checking.
Road	Electronic tracing system with Right weight and cost provision with fixed transit time and documents. This will avoid pilferage and facilitate on time delivery/ avoid detention of liners. Will replace Additional one lock provisions by Inclusion in the treaty of transit.
Train	Introduce Competition to CONCOR or responsibility on time in transit and liability in case of their fault. ETS No priority to Export Cargo. Too much Monopoly due to provisions in contract beyond control of NITDB.
CFS	Free time extended for Road and for Rail cargo to be moved only to CT KR. Cost to be monitored.
Indian boarder	Provision of money in case of export to be abolished. Infrastructures issues,
Nepal Boarder	Terminal operators beyond control. Monitor well.

Documents Required for Trade in Nepal

The following documents are necessary from the time an order is placed till the documents are negotiated with the Bank. These documents are inclusive of those needed in Nepal and India Border Custom as well as transit point in Kolkata:

SN	Name of Document	Document Required for		Document to be Presented/Submitted at or Exchanged between				
		Export	Import	Nepal Customs	India Customs	Kolkata Customs	Bank	Other
Mandatory Documents								
1	Contract between buyer and seller	✓	✓					✓ (between buyer and seller)
2	Purchase Order	✓	✓					✓ (between buyer and seller)
3	Performa Invoice	✓	✓					✓ (between buyer and seller)
4	Commercial Invoice	✓	✓					✓ (between buyer and seller)
5	Packing List	✓	✓	✓	✓	✓		
6	Letter of Credit/APC/DAP or any other payment related bank documents	✓	✓	✓	✓			
7	LC Covering Letter by Bank	✓		✓				
8	CTD	✓	✓	✓	✓	✓		
9	Authority Letter for Nepal Border Customs	✓	✓	✓				
10	Authority Letter for Kolkata CHA		✓			✓		
11	Letter to Consular General Office (APC)		✓			✓ (required for GON)		
12	Permit Letter from Department of Commerce if APC							
13	Bi. Pi. Ni Form		✓	✓				
14	SAD	✓	✓	✓				
15	COO – GSP	✓	✓	✓				
16	COO – Chamber		✓	✓	✓	✓		
17	Company Registration Certificate	✓	✓	✓				
18	VAT/PAN register certificate	✓	✓	✓				
19	Empty Pick up permit (Shipping Line)	✓				✓		
	a. Booking Request with shipping line	✓				✓		
	b. Issuance of container Guarantee Bond	✓	✓			✓		
	c. Container Insurance	✓	✓			✓		
20	Transit Permit – Rail Movement	✓	✓	✓	✓	✓		

SN	Name of Document	Document Required for		Document to be Presented/Submitted at or Exchanged between				
		Export	Import	Nepal Customs	India Customs	Kolkata Customs	Bank	Other
21	Road Way Bill – Rode Movement	✓	✓	✓		✓		
	a. Road way Bill – Nepal side	✓	✓	✓				
	b. Road way bill – India side	✓	✓	✓		✓		
22	Transit Insurance Policy	✓	✓	✓		✓		
	a. Transit Insurance	✓	✓	✓		✓		
	b. Duty Insurance		✓			✓		
23	BOL	✓	✓	✓		✓		
	a. BOL – Master							
	b. BOL – House							
24	Quality Assurance Certificate	✓	✓					✓ (Business House)
25	Dock Permit (Entry/Exit)	✓	✓					✓
26	Slot acceptance letter		✓			✓		
27	Mate Receipt	✓				✓		
28	Manifest (IGM)		✓			✓		
29	Bill of Exchange (Negotiating with Bank)	✓					✓	
30	Delivery Order (HBL/HAWB)		✓					✓ (Shipping line, Air Line and FF)
31	Delivery order (MBL/MAWB)		✓					✓ (Shipping Line, Air Line and FF)
32	Seal CTD cover	✓	✓	✓	✓	✓		
33	Ending back of the CTD after sending back to Kolkata and vice versa	✓	✓		✓	✓		
34	Port Rent Receipt	✓	✓			✓		
35	THC	✓	✓			✓		
36	Copy of Driver's Licence		✓	✓ (during gate entry)				

Additional Documents Specific to Consignment

37	Authenticated certificate or Analysis Certificate for medicines		✓	✓				
38	Quality control or letter to the effect of handling hazardous cargo		✓	✓	✓	✓		
39	DGR Certificate		✓	✓	✓	✓		
40	Embassy letter and Dept. of customs letter in case of personal effects or diplomatic cargo		✓	✓		✓		
41	A form that needs to be filled at department of customs in case of acquiring certificate		✓	✓				

SN	Name of Document	Document Required for		Document to be Presented/Submitted at or Exchanged between				
		Export	Import	Nepal Customs	India Customs	Kolkata Customs	Bank	Other
42	These forms are given by airport, filled by importer and given to Department of customs for issuing the test report		✓	✓				
43	Beneficiary's Certificate as per LC clause	✓					✓	
44	Road consignment note if LC require	✓					✓	
45	Fax confirmation if LC require	✓					✓	
46	Certificate from Archaeology Department for selective handicraft products	✓		✓				
47	Certificate from Handicraft Association for handicraft products	✓		✓				

Govt. Regd. 1980




Tibetan Wool Crafts

Office/Factory:
GPO Box No. 2177
Nardevi, Tamsipakha,
Kathmandu, Nepal
Tel.: 977-1-252052, 250700
Fax: 977-1-263768
E-mail: twc@wlink.com.np

Show Room:
Saatghumti & Kwabahal
Thamel, Kathmandu
Tel.: 977-1-228676



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ROUTING AND DESTINATION									
TO	BY FIRST CARRIER	TO	BY	TO	BY				
CONSIGNEE'S NAME AND ADDRESS						 <p>NOT NEGOTIABLE AIR WAY BILL AIR CONSIGNMENT NOTE QUALITY FREIGHT SERVICE (P) LTD. KATHMANDU, NEPAL, P.O. BOX : 20025 TEL : 00977-1-4411961/4430617, FAX : 4416492 E-mail : qfs@mail.com.np</p>			
SHIPPER'S NAME AND ADDRESS						<p>If the carriage involves as ultimate destination or stop in a country other than the country of departure, the Warsaw Convention may be applicable and the Convention governs and in most cases limits the liability of carriers in respect of loss of or damage to cargo. Agreed stopping places are those places other than the places of departure and destination shown under requested routing and/or those places shown in carrier's timetable as scheduled stopping places for the route. Address of first carrier is the airport of departure. SEE CONDITIONS ON REVERSE HEREOF.</p> <p>The shipper certifies that the particulars on the face hereof are correct and agrees to the CONDITIONS ON REVERSE HEREOF SIGNATURE OF SHIPPER</p> <p>BY BROKER/AGENT</p> <p>Carrier certifies goods described below were received for carriage subject to the CONDITIONS ON REVERSE HEREOF, the goods than being in apparent good order and condition except as noted hereon.</p> <p>EXECUTED ON (Date) AT (Place) KTM/NEPAL FOR : Q.F.S., KTM/NEPAL SIGNATURE OF ISSUING CARRIER OR ITS AGENT</p> <p>Copies 1, 2 and 3 of this AIR WAYBILL are originals and have the same validity.</p>			
ALSO NOTIFY									
CURRENCY	DECLARED VALUE FOR CARRIAGE	DECLARED VALUE FOR CUSTOMS	AMOUNT OF INSURANCE		INSURANCE - If shipper requests insurance in accordance with conditions on reverse hereof, indicate amount to be insured in figures in box marked amount of insurance				
WEIGHT CHARGE AND VALUATION CHARGE PREPAID <input type="checkbox"/> COLLECT <input type="checkbox"/>		ALLOTHER CHARGES AT ORIGIN PREPAID <input type="checkbox"/> COLLECT <input type="checkbox"/>		ACCOUNTING INFORMATION					
No. of Packages	Actual gross weight	Kg. lb.	RATE CLASS	COMMODITY ITEM NO.	CHARGEABLE WEIGHT	RATE/CHARGE	NATURE AND QUANTITY OF GOODS (INCL. DIMENSIONS OR. VOLUME)		
							SAID TO CONTAIN		
PRE-PAID	PREPAID WEIGHT CHARGE		PREPAID VALUATION CHARGE		TOTAL OTHER PREPAID CHARGES		TOTAL PREPAID		FOR AGENTS USE ONLY AT DESTINATION
					DUE CARRIER DUE AGENT				
OTHER CHARGES (EXCEPT WEIGHT AND VALUATION CHARGE) CLEARANCE AND HANDLING					CARTAGE			COLLECT CHARGES IN DESTINATION CURRENCY	
								COD AMOUNT	
								COD FEE	
								TOTAL CHARGES	
COLLECT	COLLECT WEIGHT CHARGE		COLLECT VALUATION CHARGE		TOTAL OTHER COLLECT CHARGES				TOTAL COLLECT
					DUE CARRIER DUE AGENT				
HANDLING INFORMATION									

COPY 8-EXTRA COPY

QFS. 1249

JOSHI CARPET INDUSTRIES
BOUDHA, TUSHAL, KATHMANDU-7, NEPAL
TEL: 977-1-4471291, 4484306 FAX: 977-01-4484435
EMAIL: JCI@WLINK.COM.NP

CONSIGNEE

Teppich Kibek GmbH
 Ramskamp 100
 25337 Elmshorn
 Germany

COMMERCIAL INVOICE

TRANSPORT	SHIPPED FROM	DESTINATION
BY AIR	KATHMANDU	GERMANY

CUSTOMER ORDER NO.	TERMS OF SHIPMENT	TERMS OF PAYMENT	INVOICE DATE	INVOICE NO.
SAMPLES	FOB KATHMANDU	CAD	16.3.2017	JK-101

MARKS NO	DESCRIPTION	QUANTITY SQ. MTRS.	UNIT PRICE US\$	AMOUNT IN USD	REMARKS
2 JUTE BALES 6 PCS	NEPALESE HANDKNOTTED WOLLEN CARPET, WASHED. IN 60 KNOTS QUALITY				
	Tibet Borders, Plain	10.78	\$72.00	\$776.16	
	Felt Ball Multi Color	0.81	\$50.00	\$40.50	
		11.59		\$816.66	

NET TOTAL

IN WORDS EIGHT HUNDRED SIXTEEN & 66/100 ONLY.
 US \$

US\$**\$816.66****PAYMENT TO:**

GLOBAL IME BANK NEPAL LTD.
 KANTIPATH, KATHMANDU
 A/C NO: 0101020005117
 SWIFT CODE: GLBBNPKA

AUTHORISED SIGNATURE

Packing list eg.

Supplier No.	OrderNo.	Branch	Inv.No.	Inv.Date	Kibek Item No.	Supplier Item No.	Supplier Item Name	Color	Quantity	Width	Length	Sqm/Pcs.	Total Sqm	Roll / Carton No.
3449	26619	10	JK-101	16/3/2017		1546	PLAIN	Lt.Grey	1	1.19	1.80	2.14	2.14	1
3449	26619	10	JK-101	16/3/2017		1546	PLAIN	Cream	1	1.21	1.80	2.18	2.18	1
3449	26619	10	JK-101	16/3/2017		1546	PLAIN	Dark Grey	1	1.22	1.78	2.17	2.17	1
3449	26619	10	JK-101	16/3/2017		1545	BORDER	Beige	1	1.20	1.80	2.16	2.16	2
3449	26619	10	JK-101	16/3/2017		1545	BORDER	Lt.Grey	1	1.18	1.80	2.12	2.12	2
3449	26619	10	JK-101	16/3/2017		F1	Felt Ball Multi	Multi	1	0.90	0.90	0.81	0.81	2
														6
														11.59

नेपाल बङ्गलादेश बैंक लि.

THE BANK FOR EVERYONE

A Class Financial Institution Licensed by Nepal Rastra Bank.
(Joint Venture with IFC Bank Limited, Bangladesh)



THE BANK FOR EVERYONE



GET THE MAXIMUM
VALUE FOR YOUR EARNING

8.25%

ON SAVING ACCOUNT

SAMBRIDHI BACHAT

Head Office: Kamaladi, Kathmandu, P.O.Box: 9062, 01-4233780-81-82-83-84-85
www.nbbbl.com.np



16 LCA 01USD 0425

15/07/16-08:44:33

FileOutputMT-6162-253238

3

Instance Type and Transmission

Original received from SWIFT

Priority : Normal

Message Output Reference : 0844 160715NARBPNKAXXX0451152984

Correspondent Input Reference : 1119 160714HYVEDEMMB300464547Q170

Message Header

Swift Output : FIN 700 Issue of a Documentary Credit

Sender : HYVEDEMM300

UNICREDIT BANK AG (HYPOVEREINSBANK)

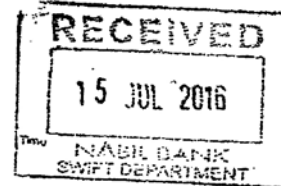
HAMBURG DE

Receiver : NARBPNKAXXX

NABIL BANK LIMITED

KATHMANDU NP

MUR : IMEX140710007609



Message Text

27: Sequence of Total

1/1

40A: Form of Documentary Credit

IRREVOCABLE

20: Documentary Credit Number

30132010011530

31C: Date of Issue

160714

40E: Applicable Rules

UCP LATEST VERSION

31D: Date and Place of Expiry

160902KATHMANDU

50: Applicant

TEPPICH-KIEBK-OMBH

RAMSKAMP 100

25337 ELM SHORN

GERMANY

59: Beneficiary - Name & Address

/010421750061

HIMALAY TSULTRIM CARPET INDUSTRIES

JORPATI-1

KATHMANDU

NEPAL

32B: Currency Code, Amount

Currency : USD (US DOLLAR)

Amount : #57,831.90#

39B: Maximum Credit Amount

NOT EXCEEDING

41D: Available With...By... - Name&Addr

ANY BANK IN NEPAL

BY NEGOTIATION

42C: Drafts at...

AT SIGHT

42A: Drawee - FI BIC

HYVEDEMM300

UNICREDIT BANK AG (HYPOVEREINSBANK)

import 1/2

15/7/16

AUTHENTICATED SWIFT
MESSAGE NO. 700

15/07/16-08:44:33

FileOutputMT-6162-253238

- HAMBURG DE
- 43P: Partial Shipments
NOT ALLOWED
- 43T: Transshipment
ALLOWED
- 44A: Pl of Tking in Chrg / of Rceipt
KATHMANDU
- 44E: Port of Loading/Airport of Dep.
CALCUTTA OR HALDIA
- 44F: Port of Discharge/Airport of Dest
HAMBURG
- 44C: Latest Date of Shipment
160815. ←
- 45A: Descriptn of Goods &/or Services
NEPALESE WOOLLEN, HAND KNOTTED CARPETS, 6
60 KNOTS QUALITY AS PER ORDER 929020, 929503, 928706
FCA KATHMANDU
- 46A: Documents Required
1. SIGNED COMMERCIAL INVOICE, 3-FOLD
 2. FULL SET 3/3 OF CLEAN ON BOARD MULTIMODAL TRANSPORT DOCUMENT/ BILLS OF LADING NVOCC ACCEPTABLE.
MADE OUT TO ORDER, ENDORSED IN BLANK, MARKED
'FREIGHT PAYABLE AT DESTINATION' AND NOTIFY APPLICANT
B/L MUST EVIDENCE THIS L/C NUMBER
LAND/SEA TRANSPORT B/L IS ACCEPTABLE
 3. HANDING OVER CERTIFICATE OF QUALITY FREIGHT SERVICE (P) LTD.,
SHOWING THAT GOODS HAVE BEEN RECEIVED IN GOOD ORDER FOR
PRECARRYING TRANSPORT TO CALCUTTA/HALDIA PORT (INDIA)
 4. ROAD CONSIGNMENT NOTE OF QUALITY FREIGHT SERVICE (P) LTD.
 5. ORIGINAL CERTIFICATE OF NEPAL ORIGIN GSP-FORM A STATING
QUALITY OF BELOW 350 KNOTS/RM
 6. PACKING LIST, 3-FOLD, STATING:
 - A) SEPARATE PACKING FOR EACH BRANCH CONCERNED
 - B) MARKED NO. OF EACH BALE
 - C) APPLICANT'S BRANCH
 - D) REQUIRED PACKING OF GOODS IN DOUBLE WRAPPED EXTRA
STRONG POLYTHENE SHEETING AND JUTE BAGS OR EQUIVALENT
 - E) THAT GOODS HAVE BEEN ROLLED AND NOT FOLDED
 7. CERTIFIED COPY OF BENEFICIARY'S FAX ADDRESSED TO APPLICANT AND
SENT WITHIN 17 DAYS AFTER HANDING OVER DATE SHOWING THIS L/C
NUMBER AND FOLLOWING DETAILS OF SHIPMENT:
 - A) NAME OF CARRYING VESSEL
 - B) ETD AND ETA
 - C) GOODS' QUANTITY AND GOODS' VALUE
 - D) CONFIRMATION THAT BALES HAVE BEEN MARKED PROPERLY
WITH:
APPLICANT'S BRANCH, BALE NO., SHIPPER'S NAME
AND PORT OF DESTINATION
 8. BENEFICIARY'S CERTIFICATE CONFIRMING THAT FOLLOWING DOCUMENTS
HAVE BEEN DISPATCHED BY REGISTERED AIRMAIL WITHIN 20 DAYS AFTER
HANDING OVER DATE DIRECTLY TO APPLICANT:

15/07/16-09:44:33

FileOutputMT-6162-253238

5

- A) ONE NON-NEGOTIABLE BILL OF LADING
- B) ONE COMMERCIAL INVOICE
- C) ONE PACKING LIST
- D) ONE COPY OF GSP-FORM A CERTIFICATE OF ORIGIN

47A: Additional Conditions

- + LAND/SEA COMBINED TRANSPORT EFFECTING TRANSshipment AT CALCUTTA/HALDIA PORT/INDIA
- + INSURANCE TO BE COVERED BY APPLICANT
- + DOCUMENTS MUST BE MADE OUT IN ENGLISH LANGUAGE ONLY UNLESS OTHERWISE EXPRESSLY STATED.
- + AT PRESENTATION OF DOCUMENTS WITH DISCREPANCIES WE CHARGE A RESPECTIVE COMMISSION.
- + PLEASE SEND DOCUMENTS TO US BY COURIER IN ONE LOT.
- + OUR ADDRESS: UniCredit Bank AG, GTG Foreign Trade Services Nord, Nagelsweg 49, 20097 Hamburg, Germany
- + EACH NEGOTIATION MUST BE ENDORSED ON THE REVERSE SIDE OF BENEFICIARIES ORIGINAL CREDIT INSTRUMENT BY THE NEGOTIATING BANK WHICH HAS TO CONFIRM THE ENDORSEMENT ON THEIR DOCUMENTARY REMITTANCE LETTER.

71B: Charges

ALL COMMISSIONS AND CHARGES ARISING UNDER THIS CREDIT ARE TO BE BORNE BY THE BENEFICIARY EXCEPT OURS.

48: Period for Presentation

18 DAYS AFTER TRANSPORT DATE. BUT WITHIN VALIDITY.

49: Confirmation Instructions

WITHOUT

78: Instr to Payg/Acceptg/Negotg Bank

AFTER RECEIPT OF A COMPLYING PRESENTATION WE SHALL COVER YOU ACCORDING TO YOUR INSTRUCTIONS.

Message Trailer

{CHK:F66A50786922}

{DLM:}

PKI Signature: MAC-Equivalent



How to Export to Europe

अनुसूची ७

(नियम ३८ (क) उपनियम (४) सँग सम्बन्धित)

भन्सार एजेन्टको नियुक्तिपत्रको ढाँचा

खण्ड (क)

(निकासीकर्ता / पैठारीकर्ता भर्ने)

निकासीकर्ता / पैठारीकर्ताको नाम :-

ठेगाना :-

फोन नं :-

मु.अ.कर दर्ता भएको वा नभएको :- भएको भए दर्ता मिति :-

नियुक्तकर्ताको
फोटो(फोटोमा समेत
परेको छैन भन्ने
पत्र राख्नु पर्ने)भन्सार एजेन्ट
फोटो(फोटोमा समेत
परेको छैन भन्ने
पत्र राख्नु पर्ने)विषय :- भन्सार एजेन्ट नियुक्त गरिएको ।

त्यस भन्सार कार्यालयको बाटो गरी निकासी वा पैठारी हुने मालवस्तुको भन्सार जाँचपास गराउने लगायत भन्सारसँग सम्बन्धित सम्पूर्ण कार्यहरू गर्ने गराउने प्रयोजनको लागि भन्सार एजेन्टको ईजाजत प्राप्त देहाय बमोजिमको भन्सार एजेन्टलाई देहायको अवधिका लागि देहायको मालवस्तु जाँचपास गराउने मेरो / हाम्रो एजेन्ट रूपमा भन्सार नियमावली, २०६४ को नियम ३८ को उपनियम (४) बमोजिम नियुक्त गरेको व्यहोरा अनुरोध छ । यस सम्बन्धमा भन्सार ऐन २०६४ तथा भन्सार नियमावली २०६४ मा भएको व्यवस्थाहरू पूर्णरूपमा पालना गर्नु छु/छौ । हाम्रो व्यवसायसँग सम्बन्धित दर्ता प्रमाण पत्रहरू र भन्सार ईजाजत-पत्रका प्रतिलिपिहरू इसैसाथ सलग्न छन् आवश्यक परेमा सबैकल समेत पेश गर्ने छु/छौ ।

भन्सार एजेन्टको नाम :-

भन्सार एजेन्ट ईजाजत-पत्र नम्बर :- भन्सार एजेन्टको ईजाजत-पत्र जारी मिति :-

ठेगाना :-

भन्सार एजेन्टको रूपमा कार्य गर्ने अवधि :- देखि :- सम्म

कुनै कम्साइन्मेन्ट मात्र जाँचपास गराउनका लागि :- (प्रतिव नं, मिति, बैंकको नाम, बीजक नं र मिति खुलाउने,

निकासीकर्ता/पैठारीकर्ताको दस्ताखत :- मिति :- फोन :-

नाम थर :- ठेगाना :-

कारोबारसँगको सम्बन्ध :- ईमेल :-

सम्बन्ध पुष्टि हुने प्रमाण सलग्न गर्नु पर्ने छ ।)

छाप :- फ्याक्स :-

एक मालवतीले एउटा भन्सार कार्यालयमा एक पटक भन्दा बढी भन्सार एजेन्ट नियुक्त गर्नु परेमा नियुक्तीपत्रमा नियुक्तकर्ताको फोटो आवश्यक पर्ने छैन ।

खण्ड (ख)

(भन्सार एजेन्टले भर्ने)

माथि खण्ड (क) मा उल्लेख भए बमोजिम निकासीकर्ता / पैठारीकर्ताको भन्सार एजेन्टको रूपमा भन्सार ऐन २०६४ र भन्सार नियमावली २०६४ का अधिनस्थ रही कार्य गर्न सज्जु गर्दछु । मेरो भन्सार एजेन्टको ईजाजत-पत्रको प्रतिलिपि सलग्न गरेका छु आवश्यक परेमा सबैकल समेत पेश गर्नेछु ।

भन्सार एजेन्टको नाम :- ठेगाना :-


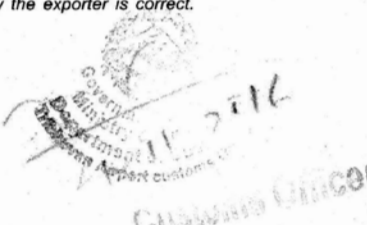

दस्ताखत :- फोन नं :-

भन्सार एजेन्ट ईजाजत पत्र नम्बर :- भन्सार एजेन्टको ईजाजत पत्र जारी मिति :-

ईमेल :- फ्याक्स नं :-

छाप :- मिति :-

3 Copy

1. Goods consigned from (exporter's business name, address, country) ALTERNATIVE HERBAL PRODUCTS (P.) LTD. KAUSALTAR, BHAKTAPUR NEPAL		Reference No. 268279 GENERALIZED SYSTEM OF PREFERENCES CERTIFICATE OF ORIGIN (Combined declaration and certificate) FORM A			
2. Goods consigned to (Consignee's name, address, country) M/S GREENTECH SA SAINT BEAUZIRE FRANCE		Issued in NEPAL (country) <i>See notes overleaf</i>			
3. Means of transport and route (as far as known) BY AIR		4. For official use  Deputy Director			
5. Item number	6. Marks and numbers of packages	7. Number and kind of packages; description of goods	8. Origin criterion (see notes overleaf)	9. Gross weight or other quantity	10. Number and date of invoices
	08 BOXES	HIMALAYAS' ONTOP Himalayan Spring Water BATCH NO. RN10 CIF-FRANCE, LYS <div style="text-align: center; font-size: 2em; opacity: 0.5;">Copy</div> ADVANCE PAYMENT	"W" 2201.10.00	KG 100 KGS	AHP/07/2016 2/11/2016
11. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct.  Place and date, signature and stamp of certifying authority			12. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in NEPAL (Country) and that they comply with the origin requirements specified for these goods in the generalized system of preferences for goods exported to FRANCE (Exporting country)  Place and date, signature and stamp of certifying authority		

APPLICATION FOR CERTIFICATE OF ORIGIN
Form B

The undersigned, being the exporter of the goods described overleaf, **DECLARES** that these goods were produced in (country)
SPECIFIES as follows the grounds on which the goods are claimed to comply with GSP origin requirements¹⁾

.....
.....
.....
SUBMITS the following supporting documents²⁾

.....
.....
.....
UNDERTAKES to submit, at the request of the appropriate authorities of the exporting country; any additional supporting evidence which these authorities may require for the purpose of issuing a certificate of origin, and undertakes, if required, to agree to any inspection of this accounts and any check on the processes of manufacture of the above goods, carried out by the said authorities.

REQUESTS the issue of a certificate of origin for these goods.

Place and date

.....
(signature of authorized signatory)

¹⁾ To be completed if materials or components originating in another country have been used in the manufacture of the goods in question. Indicate the materials or components used, their CCC Nomenclature tariff heading, their country of origin and, where appropriate, the manufacturing processes qualifying the goods as originating in the country of manufacture (application of List B or of the special conditions laid down in List A), the goods produced and their CCC Nomenclature tariff heading.


Where the origin criteria involve a percentage value, give information enabling this percentage to be verified - for example the value of imported materials and components and those of undetermined origin and the ex-factory price of the exported goods, where applicable.

²⁾ For example, import documents, invoices, etc., relating to the materials or components used.

NOTES

A. Procedure for claiming preference. A declaration on the certificate of origin form must be prepared by the exporter of the goods and submitted in duplicate, together with a GSP application form, to the certifying authority of the country of exportation which will, if satisfied, certify the top copy of the certificate of origin and return it to the exporter for transmission to the importer in the country of destination. The certifying authority will at the same time return to the exporter for his retention the duplicate copy of the certificate of origin, but will itself retain the GSP application form duly completed and signed by the exporter.

B. Sanctions. Persons who furnish, or cause to be furnished information which relates to origin or consignment, and which is untrue in a material particular are liable to legal penalties and to the suspension of facilities for their goods to obtain preference.

1. Exporter's name & address Tax Registration No. & Place: Firm Registration No.: (Place and Date):		NCC Reference No.: CERTIFICATE OF ORIGIN Issued by:  NEPAL CHAMBER OF COMMERCE Chamber Bhawan, Kantipath P.O.Box No.: 198, Kathmandu, Nepal Tel.: +977-1-4230947 Fax: 00977-1-4229998 Email: chamber@wlink.com.np					
2. Consignee's name, address, country		3. Means of Transport and route				4. Export Licence No. & Date (When Needed):	
5. Marks and numbers of packages	6. Description of goods	7. Value	8. Quantity	9. Place of Production	10. Number and date of invoice		
		FOB CIF C&F C&I					
Value in Words:							
11. Declaration by the exporter The Undersigned hereby declares that the above mentioned goods have been produced in Nepal and that the details given above are true and correct. Authorised Signature _____ Seal _____ Full Name: _____ Title: _____ Date: _____			12. Certification by issuing authority It is hereby certified that the above mentioned goods are of Nepalese Origin to the best of our knowledge and belief. Authorised Signature _____ Seal _____ Full Name: _____ Title: _____ Date: _____				
This certificate is valid for six months from the date of issue.							

C. T. D. No. Date :

Original / Duplicate / Triplicate / Quarduplicate / Quintuplicate

CUSTOM TRANSIT DECLARATION (EXPORT)

Export (Name & Address)		VERIFICATION I have verified that the goods specified in this declaration and of the quantity & value specified here in have been permitted to be exported by Govt. of Nepal under Licence No. and date as indicated below. I also certify that the goods being Exported are produce of Nepal	
Consignee			
Notify or Delivery Address		C. T. D. No. BRG/ Date:	
		Govt. of Nepal's Export Licence No. & Date/LC No.	
		Country of Origin Nepal	Country of which consigned
Indian Custom Office of Entry Raxaul		Shipping Agent:	
Name of vessel		Rotation No Invoice No Date Certificate of Origin No Date	
Marks & serial Nos. of Pkgs.	No. & Description of Pkgs. Description of Goods	Quantity / Sq. m. WT.	Value/US \$
Endorsement by Indian Customs Office on Entry Certified that the necessary checks have been made in terms of the provisions of the export procedure to the Treaty of trade & Transit between Govt. of India and Govt. of Nepal 1971. Goods specified here in allow to move to Calcutta port without sealing/duly sealed. CONTAINER TRUCK NO LOCKED WITH LOCK & KEY NO		DECLARATION "I/We declare that the goods entered here in are not of indian origin, are for export form nepal to third countries, other than india, and shall not be diverted en-route to india or retained in India." "I/We declare that all the entries made above are true and correct to the best of my/our knowledge & belief ." Date :	
Endorsement by Customs House on Exit. DULY SEALED WITH DEPARTMENTAL SEAL.			

भन्सार प्रज्ञापन पत्र

स.ले.प.का.नं. ८९

नेपाल सरकार
अर्थ मन्त्रालय, भन्सार विभाग

२. निर्यातकर्ता नम्बर :-		१. प्रज्ञापन पत्रको नम्बर		कोड नं.:-
आयकर बर्ता स्थायी लेखा नं. र मिति		आयात	निर्यात	नाम:-
मु.अ.क. बर्ता नं मिति		१ पाना संख्या	४ ति.दि.सं. नं.	सेलफेक्ट नं.:-
अवधि		५ बस्तुको संख्या	१ अदत	प्रज्ञापन बर्ता नं. मिति:-
८. आयातकर्ता नम्बर :-		९. एयर बे. बिल नं./बिल अंक लेखिज नं. र मिति:-		
आयकर बर्ता स्थायी लेखा नं. र मिति		डि.आर.पि. रेड सर्कल नं. र मिति :-		
मु.अ.क. बर्ता नं मिति		इन्भोईस नं./डि.आर.पि.नं. र मिति:-		
अवधि		१० बसान गर्ने देश	११ बिक्री गर्ने देश	१२ मूल्य विवरण
		१३ गोदाममा भाल रहेको दिन		
१४. भन्सार एजेन्ट/प्रतिनिधिको नम्बर :-		१५ निर्यात गर्ने देश	१६ निर्यात गर्ने देश	१७ सामान पुग्ने देशको संकेत
		१८ सामान बनेको देश	१९ सामान पुग्ने देशको नाम	
१८. ढुवानी /सवारी साधन नम्बर:-		१९. कन्टेनर	२० आपूर्तिको शर्त	
		२१	२२ मुद्रा र कुल विजक मूल्य	२३ विनिमय दर
			२४ कारोबारको प्रकृति	
२५. भन्सार विन्युमा ढुवानी साधनको प्रकार		२६.	२७ सामानको पुग्ने ठाउँ	२८. बैकिंग डाटा कोड :-
				भुक्तानीको शर्त
२९		३०	बैंक को नाम:	
			फाइल नं.	
३१ सामानको प्रकार	अदत	३२ आईटम नं.	३३ बस्तु वर्गिकरण नं. (संकेत नं)	
अदत	प्रकार		३४ सामान बनेको देश	३५ कुल तौल
			३६ सामानको प्रकृति	३७ कुल तौल
सामान को नाम		३८ भारतीय अन्त शुल्क रकम:-		
		३९ भारतीय अन्त शुल्क रकम:-		
४४ अन्य सूचना कागजात प्रमाण		इजाजत पत्र नं.	पटके मूल्य:-	पटके परिमाण
		सम्बद्ध कागजात वा नं.:-	चलानी नं. र मिति:-	प्रतिपत्र नं. र मिति:-
		मुद्रा रकम:-		
		४६ भन्सार महसुलको लागि कायम मूल्य दर :		
करको प्रकार		महसुल लागू गर्ने मूल्य/आधार	दर	रकम
४७ महसुल को हिसाब		भुक्तानि		
		४८ अग्रिम भुक्तानिको संकेत नं.		
		४९ गोदाम नम्बर		
		लेखा विवरण		
		भुक्तानीको प्रकार		
		मिति :-		
		महसुल निर्धारण नं.		
		मिति :-		
		रसिद नम्बर		
		प्रमाणपत्र शुल्क		
		कुल महसुल		
		अक्षरेपी		
यस पानाको जम्मा :-				
५० (क) मालधनीले घोषणा गर्दा खुलाउनु पर्ने केहि भए :-		५० (ख) यस घोषणा र संलग्न कागजातमा उल्लेखित विवरण ठिक सौचो हो सो विवरण भुट्टा वा फरक पारी लेखिएको ठहरोपमा मैले सजाएको भागी बन्नु पर्दछ भन्ने कुरा मलाई थाहा छ भनी सही गर्ने मालधनी वा वारेसको :-		
		दस्तखत:-		
		मिति :-		
		नाम:-		
५० (ग) कार्यालय प्रयोजनको लागि भौतिक निरीक्षणको परिणाम:		कैफियत:-		

प्रविष्टकर्ताको दस्तखत र मिति :-
नाम:-जाँचकीको दस्तखत र मिति:-
नाम:-भन्सार अधिकृतको दस्तखत र मिति :-
नाम:-

Shipper
HIMALAYAN HERBS TRADERS
P.O.BOX: 7823, BALUWATAR
KATHMANDU, NEPAL
PH. NO.: +977-1-4432190/4426741



B/L No.
SSLCCHPHCB4978

Consignee
MR. WANG DAOJIN
DAI HAI PHONG IMPORT EXPORT LIMITED
COMPANY. 112-5/8 STREET, KA LONG
WARD, MONG CAI CITY QUANG NINH PROVINCE,
VIETNAM

SAMUDERA SHIPPING LINE LTD.
SAMUDERA INDONESIA GROUP

BILL OF LADING

Received by the Carrier from the shipper in apparent good order and condition unless otherwise indicated herein the Goods or the container(s) or package(s) said to contain the cargo herein mentioned to be carried subject to all the terms and conditions appearing on the face and back of this Bill of Lading by the vessel named herein or any substitute at the Carrier's option and or other means of transport from the place of receipt or the port of loading to the port of discharges or the place of delivery shown herein and there to be delivered unto order or assigns. If required by the Carrier, this Bill of Lading duly endorsed must be surrendered in exchange for the Goods or delivery order.

In accepting this Bill of Lading, the Merchant agrees to be bound by all the stipulations, exceptions, terms and condition on the face and back hereof, whether written, typed, stamped or printed, as fully as if signed by the Merchant, any local custom or privilege to the contrary notwithstanding and agrees that all agreements or freight engagements for and in connection with the carriage of the Goods are superseded by this Bill of Lading.

In witness whereof the undersigned, on behalf of Samudera Shipping Line Ltd. the Master and the owner of the Vessel, has signed the number of Bill (s) of Lading stated below all of this tenor and date, one of which being accomplished, the others to stand void.

Notify party
MR. WANG DAOJIN
DAI HAI PHONG IMPORT EXPORT LIMITED
COMPANY. 112-5/8 STREET, KA LONG
WARD, MONG CAI CITY QUANG NINH PROVINCE,
VIETNAM
ZIP/POSTAL CODE: 200000 *

Pre-Carriage by
KOLKATA, INDIA CY

Ocean Vessel/No. 1707S
BLPL BLESSING
Port of loading
KOLKATA, INDIA

Port of discharge
HAIPHONG PORT, VIETNAM
Place of delivery
HAIPHONG PORT, VIETNAM CY

*Final Destination (for the Merchant's reference)

Container No.	Seal No.	No. of Containers or pkgs.	Kind of packages, description of goods	Gross Weight	Measurement
BMOU4879409	0809006	722 PKGS	SHIPPER'S LOAD AND COUNT 722 PACKAGES 1 X 40' HC CONTAINER, STC : 722 PACKAGES SMLAX MACROPHYLLA (SETA K CHINI) AS PER INV NO.352 DT.13.06.2017 SHIPPER STOW/LOAD AND COUNT 14 DAYS FREE TIME ALLOWED AT POD * CONSIGNEE/NF PARTY: TEL:0084-968996988 FAX: 0084-333881954 E-MAIL: NDTUNG99@GMAIL.COM AGENT AS PER ATTACHED SHEET	GROSS WEIGHT (KGS) 25500.00	(CBM)
Marks and Nos				NET WEIGHT (KGS) 24500.00	
NO MARKS					

Total No. of Containers or Packages (in words)
SEVEN HUNDRED AND TWENTY TWO PACKAGES ONLY

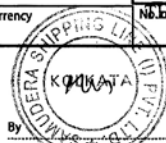
Freight and Charges	Revenue Tons	Rate	Per	Prepaid	Collect
FREIGHT PREPAID					

US\$ 688000	KOLKATA	Payable at	Place and date of issue
Total prepaid in local currency	No. of Bills (Ss)/L		

SHIPPED on board the Vessel

Date

ORIGINAL



For SAMUDERA SHIPPING LINE(I) PVT. LTD

Kingshuk Sen Gupta

As Agents for the carrier

SAMUDERA SHIPPING LINE LTD

रेफ नं. 17869/16

श्री नेपाल सरकार

TIA मन्सार कार्यालय

N. BIL BANK®

जोषाबाटी शाखा

मिति: 05/08/2016

प्रमाणपत्रको सिलसिलेवार नं. 29

निर्यातको लागि अग्रिम मुक्तानी प्रमाणपत्र

महोदय,

तपाईं मार्फत निर्यात हुने गरी तपसिल बमोजिम अग्रिम मुक्तानी प्राप्त भएकोले यो प्रमाण-पत्र जारी गरिएको छ । सामान निर्यात गर्नु अघि उक्त मुक्तानी प्रमाणपत्र सँगै जम्मा गर्नुपर्ने हुन अनुरोध गर्दछौं ।

- मुक्तानी प्राप्त गर्ने निर्यातकर्ताको नाम : M/s. Himalay Tsultrim carpet Inc.
बैंक कार्यालयमा रहेको खाता नम्बर : 0104214500061
मुक्तानी प्राप्त विदेशी मुद्रा रकम : \$ 9,955/- USD nine thousand nine hundred
रकम जम्मा भएको मिति : 03/08/2016 Fifty Five only.
- मुक्तानी पठाउने पक्षको नाम : Talis Vertriebs GmbH,
ठेगाना : Germany
निर्यात गरिने सामानको नाम : Carpet
परिमाण :
मूल्य :
हुतानी शुल्क :
वीमा शुल्क :
3. मुक्तानी पठाउने बैंक विषयी संस्थाको नाम : SCB
ठेगाना : NY
रकमको प्रयोजन : Export
प्रजोत्पन्नी खातामा जम्मा भएको मिति :
4. रकमान्तर भएको माध्यम : (क) ड्राफ्ट/ टि.टि. (ख) स्वीफ्ट (ग) स्थानीय विनिमय (घ) अन्तराष्ट्रिय कार्ड
5. सामान प्राप्त गर्ने विदेशी पक्षको नाम : Talis Vertriebs GmbH,
ठेगाना : Germany

VALID FOR 1 YEAR

ISSUED ON 05/08/16

(Renewable for further 1 year only)

नाम : Renu Sharma






(बैंक अधिकृतको दस्तखत)

नाम : Rajan M.

निर्यात गर्ने मन्सार कार्यालयबाट प्रमाणित विवरण
उल्लेखित प्रमाणपत्र अनुरूप देखाइ बमोजिम निर्यात गर्ने व्यक्तिलाई प्रमाणित गरिएको छ ।

सि.नं.	निर्यात गरेको मिति	रकम (विदेशी मुद्रा)	निर्यात गर्ने बैंक विदेशी मुद्रा	निर्यात गर्ने व्यक्तिको दस्तखत (मन्सार कार्यालयको छाप)
1.	2063/8/26	\$ 5591.25	\$ 4363.75	
2.	2063/8/29	\$ 2867.85	\$ 1495.90	
3.		\$ 1495.90	\$ 2867.85	

20792-2063/8/1 \$ 227.52 \$ 2640.33

Shipper HIMALAY TSULTRIM CARPET INDUSTRIES JORPATI 1, KATHMANDU, NEPAL		Multimodal Transport Document Registration No. MTO/DGS/137/MAR/2016 Multimodal Transport Document No. 851256000208 Shipper's Reference	
Consignee (If "To Order" as indicate) TO THE ORDER OF		 Total Transport Systems Pvt. L. 701-705, T Square, Opp. Chandivali Petrol Pump, Saki-Vihar Road Sakinaka, Andheri (E), Mumbai 400 072. INDIA Tel. : +91 - 22 - 66441500 • Fax : +91 - 22- 66441585 E-mail : info@ttspl.in ORIGINAL	
Notify Party (No claim shall attach for failure to notify) TEPPICH-KIBEK GMBH RAMSKAMP 100 25337 ELMSHORN GERMANY			
Place of Receipt KOLKATA	Port of Loading KOLKATA-INDIA	Freight Payable at : DESTINATION	
set X-PRESS YAMUNA / 177	Port of Discharge HAMBURG	Place of Delivery HAMBURG-GERMANY	No. of Original Bills of Lading 3 (THREE)
Marks and Numbers 01 TO 68 BALES Container No: PONU1670912 40' CONTAINER A/Seal No: MLIN 0790068	Number and kind of packages/Description of goods SAID TO CONTAIN 68 BALE(S) 1X40' GP (PART CONTAINER) NEPALESE WOOLLEN, HANDKNOTTED CARPETS, 60 KNOTS QUALITY AS PER ORDER 929020,929503,928706 INVOICE NO.2 DATE: 25/7/2016 TOTAL: 825.51SQM HS CODE: "W" 5701.10.00 LC NO. 30132010011530 "FREIGHT PAYABLE AT DESTINATION"		Gross Weight 3715.000 KGS Measurement
DELIVERY AGENT ADDRESS : SACO SHIPPING GMBH WOLLKAEMMERSTRASSE 1 21107 HAMBURG TEL: (49-40)311 706-423/FAX: (49-40)311 706-400		SHIPPED ON BOARD 30 AUG 2016 	
In accepting this Bill of Lading, The Merchant expressly agrees to be bound by all the terms, conditions, clauses and exceptions on both sides of the Bill of Lading whether typed, printed or otherwise. For freight prepaid Bill of lading, delivery of Cargo is subject to realisation of freight cheque. (Above particulars as declared by shipper)		KOLKATA/ 30-AUG-16 Place and date of issue	
* Taken in charge in apparently good condition herein at the place of receipt for transport and delivery as mentioned above, unless otherwise stated. The MTO in accordance with the provisions contained in the MTD undertakes to perform or to procure the performance of the multimodal transport from the place at which the goods are taken in charge, to the place designated for delivery and assumes responsibility for such transport. * One of the MTD's must be surrendered, duly endorsed in exchange for the goods. In witness where of the original MTD all of this tenor and date have been signed in the number indicated below one of which being accomplished the other(s) to be void. Terms and conditions overleaf. * Demurrage / Detention charges at Port of destination Payable by consignee as per lines tariff. * No. of Packages mentioned above, have been received in Apparent Good Condition, carrier does not certify the contents of the packages and is not responsible for any shortages there in. * By accepting this Bill of Lading, the shipper accepts his responsibility towards the carrier for payment of freight (in case of freight collect shipments), Accrued Ground rent, reshipment or disposal costs (as the case may be) if the consignee fails to take delivery of the cargo within 90 days from the date the cargo reached destination. * The carrier reserves the right to repack the goods if the same are not in seaworthy packing. The packing condition will be certified by the local bonded warehouse or competent surveyor, and the shipper by virtue of accepting this Bill of Lading accepts the liability towards the cost for the same.		For TOTAL TRANSPORT SYSTEMS PVT. LTD.  Authorized Signatory	

REPORT ON

WORKSHOP ON MINIMISING BARRIERS OF EXPORT TO THE EUROPEAN UNION

Background

European Economic Chamber (EEC) – Nepal hosted a half-day workshop on 'Minimizing Barriers of Export to the European Union', in Kathmandu, on September 9, 2016. The workshop aimed to discuss on the shortcomings and possible remedies on how Nepalese exports could benefit from the favorable trade regime of the European Union (EU). EU has unilaterally accorded most favorable trade regime to LDCs like Nepal. Under the EU trade regime, Nepal is eligible for EBA (Everything but Arms) scheme and reformed generalized system of preferences, which means that Nepal can export any product except arms without any duty and without any quantitative restriction to the European market. Despite this facility, the country has not been able to harness the potential to boost exports to the European market.

The workshop was participated by a wide range of stakeholders like government officials, private sector representatives, development partners, media representatives and civil society members. The workshop also intended to gather inputs and suggestions from the stakeholders on the reasons why Nepal had failed to tap this enormous potential and what needed to be done by the government, the private sector and development partners to fully utilize the potential so that the country can bridge the burgeoning trade gap with EU caused by the sluggish export growth against robust import.

As many as 60 participants including European Economic Chamber (EEC) - Nepal members, government officials, private sector representatives, Kathmandu-based think-tanks, media representatives and civil society members were present in the program and offered their feedback and inputs on the discussed issue.

There was a thematic paper presentation on 'Framework Concept on– Nepal-EU Trade Realities' by trade expert Prachanda Man Shrestha. This was followed by comments from Joint Secretary of the Ministry of Commerce Toya Narayan Gyawali and former commerce secretary Purushottam Ojha to open up the floor discussions.

The program started with a welcome speech by EEC-Nepal President Binayak Shah. It was also moderated by EEC-Nepal President Shah himself. The paper presentation and comments from two commentators were followed by the feedback session from the floor. Lastly, guests of the program Commerce Secretary Naindra Prasad Upadhyay and Head of Cooperation from European Union Andreas Roettger addressed the workshop.

Prior to stepping into the thematic paper, Binayak Shah, President of EEC-Nepal highlighted that a very small fraction of the trade potential between Nepal and EU had been harnessed so far.

EU has been providing a raft of support measures to the least developed countries (LDCs) like Nepal in order to develop linkages between trade and sustainable development in the developing economies, as per Shah. In his welcome note Shah briefly talked about EU and EEC-Nepal.

EU is one of the largest economic blocs. With only 7 per cent of the global population, EU contributes nearly 26 per cent of world GDP and nearly 20 per cent of global trade. It has to be noted that the raw materials used to manufacture almost 60 per cent of the goods in the European Union are imported from outside Europe. Through trade, EU encourages sustainable development in the developing world and in the process emphasizes on free and fair trade, which is based on the principles of open and transparent rules and regulations with an emphasis on protection of nature, human rights, labor and also good governance.

Similarly, EEC-Nepal is a forum to promote bilateral and multilateral business activities between Nepal and EU.

President Shah welcomed all the participants and guests and requested for the paper presentation to create the environment for discussions. With the end of President Shah's welcome note the technical session kicked off.

Technical session (Speeches and presentations)

The technical session started with the thematic paper presentation by trade expert Prachanda Man Shrestha. In his paper titled 'Framework Concept on Nepal-EU Trade Realities' he shed light on the key obstacles that the country has been facing like constraints of resources and infrastructure. Shrestha also highlighted the supply side constraints that the country has been facing. As a result of these drawbacks, he informed that the export's share to the gross domestic product (GDP) was well below five per cent. In his presentation, Shrestha highlighted some of the key concerns which are considered as common hassles for exports.

- Policy coordination (Key to enabling environment)
- Infrastructural limitation (Absence of basic public goods)
- Weak industrial base (Traditional and absence of basic support industries)
- High transaction cost (Time, cost, documentation)
- Ineffective governance (Weak institutions and outdated instruments)
- Political instability (Vision on national course)
- Unorganized Business community (Weak advocacy)
- Absence of Value chain linkage (National and International)

EU is major trade partner of Nepal after India. However, Nepal's export share with EU is nominal at 0.01 per cent of the total import of the EU and the country ranked at 140th trade partner of EU. Export to EU is vital for Nepal as a majority of goods being exported to EU are industrial products which have been generating huge employment in Nepal and some of the industries have been supporting the value chain development. Major export products to the EU are knotted carpets, garment articles and handicrafts products, which occupy over 75 per cent of the total exports to EU. Similarly, Nepal's major imports from the EU are transport equipment, chemical or allied industry products, machine appliances, optical and photographic equipment, food stuffs and beverages, among others. Nepal has been facing a huge trade deficit with EU as imports have been surging over the years against sluggish exports. Exports to the EU have remained static since half a decade with a slight decrease in value due to the devaluation of the local currency.

There is a need to reform a number of policies like the industrial policy, labor policy, and intellectual property rights protection policy to name a few. The other primary areas that need to be looked into are the development of trade related infrastructure, supply capacity enhancement and required facilities like testing and certification labs, among others. Also, other issues like minimizing trade logistic cost, decent working environment, sufficient power supply, subsidized credit and low tax for production sector are strongly interrelated with export growth. Production and supply condition largely depend on the availability of resources, efficiency, and infrastructure and business strategy. The private sector players also look for market opportunity and the demand for goods in the particular export market. Identifying the consumption pattern and demand of the respective export destination and focus on competitive production are the required fundamentals for export growth. Market opportunity depends on consumption and demand, negotiations (bilateral, regional and multilateral), access to the market, less barriers (tariff and non-tariff) and trade facilitation.

As per Shrestha, the potential for Nepalese export growth in the EU market is tremendous. The reason he cites for this is because it has occupied a very nominal share out of the total imports of such products in the EU. The export share of major products is increasing but modestly. However, the competitiveness of Nepali products is an important fundamental to increase exports.

The EU trade policy is a very supportive one for Nepal to boost exports to the European market. EU has been providing duty free quota free (DFQF) market access to all Nepalese products under EBA scheme since 2001. Later, EU also introduced the simplified Rules of Origin (RoO) criteria under the Generalized System of Preferences for LDCs.

The EU trade policy is heavily linked to the environment, working conditions, health, and the safety standards of products that the exporting country needs to comply with the rules set by EU.

Investment is crucial for trade. During Nepal's accession to WTO, EU was instrumental in opening Nepalese market for foreign direct investment (FDI) particularly in the services sector.

The EU had supported Nepal as the first LDC to accede to the World Trade Organization and has been continuously providing support to Nepal for trade capacity enhancement, among others. EU-Nepal Country Strategy 2014-2020 has allocated Euro 360 million to extend support to Nepal. EU contribution on cross cutting areas of Nepal's trade capacity as well as product specific value chain development are the key in capitalizing trade opportunity in the country. EU Policy on Nepal's graduation from LDC status by 2022 with special country focused Trade capacity strategy.

Comments from the commentators

Following the presentation, Joint Secretary of the Ministry of Commerce Toya Narayan Gyawali and former commerce secretary Purushottam Ojha commented on the paper.

Making his comments on the paper, Gyawali said that Nepal has an advantage of a single market in the 28-nation bloc because in the eurozone 19 members use the same currency. Gyawali highlighted some of the opportunities in the EU market. The EBA and simplified GSP introduced since 2011 have paved the way for a lot of opportunities of the huge market of eurozone. The EU has been preparing to add more features to the GSP facility being provided to the LDCs from 1st January, 2017. He thus drew the attention of the business leaders to be aware of the new regulations that the EU is going to introduce in the near future. Gyawali also claimed that Nepal is eligible for GSP plus facility from EU as the country has been passing through a fragile condition (economically) after the major earthquakes of last year and the border blockade. Nepal can create a comparative advantage in the EU because the EU has only three per cent of agricultural land, so Nepal can reap benefit by exporting organic agro products to the EU market abiding by all the sanitary and phytosanitary measures. EU has been supporting the Ministry of Commerce for trade related policy harmonization, quality infrastructure development, value addition of products (especially coffee) and private sector development. On the other hand, trade in services, especially in the tourism sector, is an area with a lot of potential. A total of 100,000 tourists from EU visit Nepal annually but the number of outbound travelers from the EU exceeds 392 million per annum.

Gyawali further laid emphasis on how the country can overcome the challenges to expand exports to the European market. The major reasons for the static export growth are stringent sanitary and phytosanitary regulations on agro and food products; rules of origin criteria set by the EU (EU still has 30 per cent value addition criteria despite the agreement among 164 member nations during Nairobi Ministerial meeting of WTO to allow 25 per cent value addition for LDCs); lack of proper communication of rules set by EU and utilization of GSP or EBA is very low. Trade deficit with EU hovered at around Euro 174 million in 2015 and Nepal cannot overcome this sort of imbalance of trade without significant FDI and integration of Nepali industries with European countries.

Similarly, Purushottam Ojha, former commerce secretary, emphasized that the South Asian region should learn about integration from the European Union, which is the pioneer in integrating economies at the regional level. The EU has a common market in the eurozone. In South Asia, intra regional trade hovers at around 5 per cent of the total trade but in EU the intra regional trade is over 50 per cent. Nepal has witnessed a decline in the major export products to the EU in the last decade, according to Ojha. In 1999/2000, exports to European countries from Nepal were thriving. Nepal had exported 3.3 million square meters of carpet then but it started to decline gradually and in the last fiscal Nepal exported just 600,000 square meters. More than 80 per cent of the market share has been lost in terms of volume. Garment export had faced a similar situation; Nepali garment was thriving during quota regime. Ojha also said that support from the EU in Nepal is also more focused on the peace building process, education, inclusion and empowerment rather than trade. He highlighted key areas that are vital to raise exports to the EU:

1) Strengthening supply side capacity and development of quality infrastructure (standard laboratories to deal with certification issues). 2) Improve capacity to produce healthy goods by adopting good agricultural

practices and good manufacturing practices. 3) Regarding minimizing the trade barriers, Ojha spoke about improving the transit regime to enhance efficiency, reduce the cost of transaction, enhance our competitiveness because a majority of the cost accrues on account of the inefficiency in transit/transport process. 4) Nepal needs to see the possibility of linking high value items to the European market and for this investment might be required in production process and production of goods. 5) Enhancing collaboration in trade in services like Information Technology (IT)/BPO, health and other potential areas so that it can complement the deficit in trade in goods.

Likewise, Ojha stressed on the need to obtain support from the EU in the area of Intellectual Property Rights (IPR), which is fundamental to attract FDI in the country and in which Nepal has been lagging behind since long.

Comments and Queries from the floor

Bishnu Shrestha—Handmade Paper Association, Nepal

- The government should bring investment friendly policy to overcome the supply side challenges. If we see, credit that goes to production sector has higher interest rates than auto and housing loans.
- There are a lot of hassles at the customs points while importing and exporting goods. I have been involved in the export business since the last three-and-a-half decades but I have yet to witness an investment friendly approach from the government.
- We have been talking about extending cash incentives for export firms so that they can maintain cash flows and enhance production. However, cash incentive has not been implemented properly. Nepal can learn more from Bangladesh as they have been providing more incentives. In this scenario how can Nepali products compete with their products

Rajan Sharma, Secretary General, EEC-Nepal

- No matter how many products we develop here we cannot boost exports unless we are able to be competitive by minimizing the logistics cost of trade
- Cost transport, procedures, documents, quality of goods, packaging and labeling are the basic issues and another issue is integrating small and medium enterprises (SMEs) into the national and international value chain.
- Importers in Europe do not get a chance to calculate the guaranteed landed cost because the cost varies due to hassles in transit/transportation and delays. Infrastructure developed to facilitate trade, ironically imposing additional costs to the traders due to their inefficiency.
- Nepal Trade Integration Strategy has included services sector but why has it not included logistics and transportation as well?
- Most of the documents, processes and various other procedures that we have to comply with in transit (India) are high. If we commission study on the logistic costs accrued in the transit-providing country, i.e. India, we can understand better what are the hassles and how the traders being compelled to pay additional charges.
- Similarly, standards set by the EU are very stringent. It is difficult for Nepali SMEs to meet all the standards. On the other hand, the government does not have internationally accredited labs to issue quality certificates of goods.

Swayambhu Ratna Tuladhar, owner- Yak and Yeti Enterprises

- EU commission has started seeking risks certification for silver exports and the EU has stated that the permissible level of unwanted metal mixed with silver is 0.1 per cent. In this condition, Nepal will not be able to export silver jewelry to EU. If we cannot export silver jewelry from Nepal due to this stringent condition then around 40,000 people will lose their jobs. We would like to request EU commission through this forum for the best possible solution to this problem.

Address from the EU and the government

Finally, the workshop was addressed by Commerce Secretary Naindra Prasad Upadhyay and Andreas Rottger, head of Cooperations of EU Mission in Nepal. Addressing the workshop, Roettger said that EBA is

the most preferential market access for LDCs like Nepal, which is duty free and quota free market access. Seeking GSP plus facility is a step back from the facilities that the country has been already enjoying under EBA and simplified rules of origin criteria, according to Rottger. GSP plus is suspension of tariff for just 66 products.

Nepal can enjoy the duty free, quota free facility to the European market for the next three years even after the country graduates as a developing country. The EU is currently providing an opportunity to LDCs to export goods that are made by using raw materials bought from third countries as well.

To boost exports to the European market, as per Rottger, preferential market access is important but not a solution. A national consensus needs to be forged on growth agenda regarding framing favorable policies/laws and infrastructure.

EU will review the GSP facility only in 2023. EU, through the Trade and Private Sector Development project, is providing support in trade capacity enhancement of the country. To scale up the trade infrastructure, EU member nations pledged aid for trade worth Euro 12 billion in 2014, Rottger mentioned. Citing an example of coffee, in which EU has been extending support for productive capacity development, Rottger mentioned that the key bottleneck of export is productivity. The volume of coffee that Nepal produces cannot meet the demand made by the importers. Export goods must comply with the standards set by the importing country, he added. He expressed hope that the EU-Nepal ties will be expanded in various other areas including trade and investment in the days to come.

Likewise, addressing the program as chief guest Commerce Secretary Naindra Prasad Upadhyay said that the country's exports to the EU do not look encouraging as the country has been facing a huge trade imbalance with EU.

Upadhyay laid emphasis on precisely locating the problems that the country has been facing like domestic supply capacity constraints, which need to be unlocked gradually in collaboration with the development partners. Some of the other obstacles like infrastructure constraint in terms of high logistics cost for trade, high cost to operate business, sanitary and phytosanitary related hassles applied at the receiving end were also highlighted.

Upadhyay expressed commitment that the government will do its best to provide all the necessary support to enhance the country's export sector.

Upadhyay also spoke about the weaknesses of the private sector players. According to him, investment from the private sector in the production sector and government's investment in infrastructure are vital to achieve the inclusive and sustainable development goals as envisaged by the 2030 development agenda.

He further said that if support from the development partners and domestic resources are streamlined to the SMEs and local production centers and they are integrated to the value chain of the big-scale industries it will create more job opportunities and definitely contribute to uplift the livelihoods of the poor and needy.

To overcome the fundamental challenges like production capacity enhancement, transit/transport facilitation, establishment of internationally certified lab to issue quality certification of products, the Commerce Secretary laid emphasis on strong collaboration between the government, development partners and the private sector. The government have to seek the delicate balance in utilizing the resources from the private sector and the development partners to enhance our productive capacity, as per Upadhyay.

He said Nepal needs to explore other potential support from the EU even after graduating as a developing nation. Secretary Upadhyay said that the continuous support from the EU for the accession to the WTO and trade capacity building are commendable. EU support is exemplary as they have been providing most simplified rules of origin criteria to export Nepali goods to the European market, he stated while delivering his remarks.

The workshop concluded along with the end of chief guest Commerce Secretary Upadhyay's remarks.

WTO TRADE FACILITATION AGREEMENT (TFA)

An Introduction to the WTO Trade Facilitation Agreement and Nepal

Most of the countries of the world are the member of World Trade Organization. All together there are 161 member countries in the WTO and many other nonmember countries are process of membership. It is beauty of the WTO that all the small to big countries, poor to richest countries are the member of WTO with equal rights. To integrate the poor countries into the international trade, WTO has agreed to strengthen their capacity. Developed countries submitted the Trade Facilitation Measures in the WTO Hong Kong Ministerial Conference. After having a massive discussions and meetings on the issues of trade facilitation, all WTO member countries reached on consensus on the TFA in Bali Ministerial Conference. On December 7, 2013, WTO concluded negotiations on the TFA this agreement will enter into force once two-thirds of the WTO membership notifies its acceptance. It is believed that after the implementation of the TFA, the total trade cost will be reduced more that 14% in the low-income countries.

This agreement was created to help developing countries and least developed countries to implement trade facilitation measures. The objectives of the TFA are support developing countries and LDCs for the following reasons:

- I. Helping the developing/LDCs to access their capacity to implement the TFA provisions and their needs for assistance to implement particular provisions of the Agreement.
- II. Undertaking donor and recipient match-making activities.
- III. Maintaining an information sharing platform to assist with the identification of possible donors.
- IV. Providing project implementation grants related to the implementation of TFA provisions in cases where efforts to attract funding from other sources have failed.
- V. Preparing an information matrix for sharing to assist the recipients as per their need.

As per the capacity of the member countries, WTO has formulated the implementation phase of the TFA because all the IDCs countries and the all developing countries are not able to implement TFA agreement without technical assistance. So developing countries and least developing countries require help to implement the provisions of assistance and support. The whole TFA agreement provisions are divided into three parts, Category A denotes measures that the member will implement by the time the Agreement enters into force in the case of LDC countries will implement after a year. There are some provisions which are categorized in B and these provisions will implement after the transitional period following the entry into the TFA. In the agreement there are some provisions which cannot be implemented without technical assistance and capacity building of the member countries. Actually the WTO is not able to provide all technical support to all the least developed countries and developing countries. So it has given the leverage to all multilateral and bilateral donors' agencies for the technical assistance to provide developing and least developed countries.

Incoterms and Use in the Context of Nepal

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The eleven terms of sales are accepted worldwide in assignment of cost and responsibilities between buyer and the seller. They serve as global standards for uniform interpretation of common contract clause in international trade.

Incoterms are very important international terms that Nepalese Traders must use when negotiating business with parties abroad. These eleven terms can also be applicable for trade within the country. It plays a very import role in the present global supply chain and transport logistics by helping identify the risk, cost and liability related to the business dealings.

The terms have been very helpful in solving business disputes internationally but in the context of Nepal it is learned that the wrong terms are used and often disputes remain unsolved. This is mainly because the businessman and government authorities have given very little attention in this matter.

The Rastra Bank as well as the Commercial banks in the country has been accepting letter of Credit with wrong terms even today. International Chamber of Commerce norms are followed by all businessmen, banks and freight forwarders/ Multimodal transport operators internationally. Therefore, Incoterm is extremely important for all concerns in the trade.

For example it is clearly mentioned in the recent INCOTERMS 2011 that term FOB is used only in rules of trade related to sea and inland waterway transport but it is widely used in the case of air shipments.

For a unique landlocked country like Nepal the land transportation by trucks or trailers or rain must be used before "On Board" the vessel in Kolkata or Haldia ports of West Bengal, India the best suited term is FCA .But this term is seldom used or accepted.

Similarly, the term CIF is mostly accepted by exporters of Nepal where the buyer (Consignee) pays the cost of goods, cost of transportation and cost of Insurance just because more foreign currency is entered to the country and they can make money on freight cost involved and insurance cost by using cheaper airlines/ shipping companies or insurance company. The intention of traders should be to shift the liability but we are taking the burden in our shoulders and face several hassles.

In case of imports by sea the best suited term is FOB whereas the importer of Nepal gets the chance to negotiate the inland haulage, freight cost and other transportation charges with Freight Forwarders within the country and held them responsible. The foreign currency also remains in the country and any dispute can be solved under one window but this practice is very nominal in case of import by sea.

Nepal has already brought in force the Multi Modal Transportation Act and in the context when India has recently asked to draft the "transshipment facilities modality" that Nepal desires for its export/import trade via Kolkata in the recent joint secretary level meeting at Kolkata under IGC, the importance of right use of incoterms is very important to safeguard the Nepalese traders risk and liability.

Inco terms are agreement to abide by a set of internationally applicable rules in the arrangement & operation of international transportation. It is a standard three-letter abbreviated terminology translated into various languages covers eleven main options for International trade. The rules associated with each term clearly describe the key obligations of sellers, buyers and carriers with regard to:

- Delivery of the Goods
- Transfer of Risks
- Transfer of Costs
- Transfer of Ownership

If the terms are incorporated as clauses in the contract and can happen at any time, even after delivery of goods.

Transfer of Documents of Title as specified in Incoterms is directly linked to the transfer of risk & delivery of the goods. The title-holder bears the risks of loss or damage.

Each Incoterm determines:

1. When and where the seller provides the goods to the buyer and when and where the buyer is obliged to pay the contracted price.
2. Obligations for export/import licenses, duties, taxes, etc.
3. Obligations to arrange and pay for transportation and insurance
4. Conditions for delivery by the seller and acceptance by the buyer
5. Allocation of responsibility for risk of loss or damage
6. Allocation of costs associated with movement of the goods

7. Provisions regarding notices of delivery or dispatch of the goods
8. Proof of delivery, transport documents or electronic messages
9. Requirements of seller to check quantity and conformance of goods with the contract and to provide suitable packaging and markings
10. Obligations of mutual assistance, information and documentation

Inco terms were grouped in four broad Categories before 2011 as below. The terms still is abbreviated with Four Alphabets but category has been changed to two terms 1. ANY TRANSPORT MODE and 2. MARITIME-ONLY TERMS:

The alphabetic category is as below:

“E” Terms - Ex-works

“F” Terms - Main carriage not paid by seller

“C” Terms - Main carriage paid by seller

“D” Terms - Delivered on arrival.

Recent amendment has grouped INCOTERMS 2010 into TWO distinct classes which are as below:

1. TERMS FOR ANY TRANSPORT MODE:

- EXW - EX WORKS (... named place of delivery)
- FCA - FREE CARRIER (... named place of delivery)
- CPT - CARRIAGE PAID TO (... named place of destination)
- CIP - CARRIAGE AND INSURANCE PAID TO (... named place of destination)
- DAT - DELIVERED AT TERMINAL (... named terminal at port or place of destination)
- DAP - DELIVERED AT PLACE (... named place of destination)
- DDP - DELIVERED DUTY PAID (... named place)

2. MARITIME (Sea) - ONLY TERMS:

- FAS - FREE ALONGSIDE SHIP (... named port of shipment)
- FOB - FREE ON BOARD (... named port of shipment)
- CFR - COST AND FREIGHT (... named port of destination)
- CIF - COST INSURANCE AND FREIGHT (... named port of destination)

WHAT INCOTERMS DO NOT COVER

- Constitute a contract;
- Supersede the law governing the contract;
- Address the price payable, currency or credit terms.

These items are defined by the express terms in the sales contract and by the governing law.

The DAF, DES, DEQ, and DDU designations have been eliminated, while two new terms, Delivered at Terminal (DAT) and Delivered at Place (DAP), have been added. INCOTERMS also attempt to better take into account the roles cargo security and electronic data interchange now play in international trade.

Detail explanation of each ELEVEN term and its applicability in the context of Nepal is as below:

1. EXW(Ex Works)

The buyer bears all costs and risks involved in taking the goods from the seller's premises to the desired destination. The seller's obligation is to make the goods available at his premises (works, factory, and warehouse). This term represents minimum obligation for the seller. This term can be used across all modes of transport. The packing and labeling of the goods as per the purchase order or contract is done by the seller. This term is widely in use in the Nepalese trade across boarder.

2. FCA(Free Carrier)

The seller's obligation is to hand over the goods, cleared for export, into the charge of the carrier named by the buyer at the named place or point. If no precise point is indicated by the buyer, the seller may choose within the place or range stipulated where the carrier shall take the goods into his charge. When the seller's assistance is required in making the contract with the carrier the seller may act at the buyers risk and expense. This term can be used across all modes of transport. This should be the best term in case of exports from Nepal as there is a land transportation involved before "On board" the vessel in Kolkata port. This also helps the supplier avoid direct responsibility and they can concentrate on production rather in hassle that might crop.

3. CPT(Carriage Paid To)

The seller pays the freight for the carriage of goods to the named destination. The risk of loss or damage to the goods occurring after the delivery has been made to the carrier is transferred from the seller to the buyer. This term requires the seller to clear the goods for export and can be used across all modes of transport. This term is not very much in used at least in case of exports as this involves obligation of insurance to cover the land haulage to Nepalese boarder customs and to Kolkata or Haldia ports before on board the vessel and the liability is shifted to consignee.

4. CIP (Carriage & insurance Paid to)

The seller has the same obligations as under CPT but has the responsibility of obtaining insurance against the buyer's risk of loss or damage of goods during the carriage. The seller is required to clear the goods for export however is only required to obtain insurance on minimum coverage. This term requires the seller to clear the goods for export and can be used across all modes of transport. The practice of importing raw material or other commercial goods to Nepal under Group Purchasing is not very much in practice in Nepal and therefore this term is not used.

5. DAT (Delivered At Terminal)

New Term - May be used for all transport modes

Seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer at a named terminal at the named port or place of destination. "Terminal" includes quay, warehouse, container yard or road, rail or air terminal. Both parties should agree the terminal and if possible a point within the terminal at which point the risks will transfer from the seller to the buyer of the goods. If it is intended that the seller is to bear all the costs and responsibilities from the terminal to another point, DAP or DDP may apply.

Responsibilities: Seller is responsible for the costs and risks to bring the goods to the point specified in the contract. Seller should ensure that their forwarding contract mirrors the contract of sale. Seller is responsible for the export clearance procedures. Importer is responsible to clear the goods for import, arrange import customs formalities, and pay import duty .If the parties intend the seller to bear the risks and costs of taking the goods from the terminal to another place then the DAP term may apply.

This is a new term introduced and is not in use so far in Nepal exports and imports .This can be used once the Birgunj and other ICD's of Nepal are fully operational in the true sense of the term "ICD".

The recent positive signal shown by Indian government to facilitate transshipment to Nepal to ICDs and ICPs of Nepal and once the NTWCL warehouse at Kolkata is constructed this term will definitely help in future.

The Importers must be motivated and the knowledge related to INCOTERMS must be disseminated to Importers and Exporters of Nepal with active initiated from the Ministry of Commerce and Supplies.

6. DAP (Delivered At Place)

New Term - May be used for all transport modes Seller delivers the goods when they are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination. Parties are advised to specify as clearly as possible the point within the agreed place of destination, because risks transfer at this point from seller to buyer. If the seller is responsible for clearing the goods, paying duties etc., consideration should be given to using the DDP term.

Responsibilities: Seller bears the responsibility and risks to deliver the goods to the named place. Seller is advised to obtain contracts of carriage that match the contract of sale. Seller is required to clear the goods for export. If the seller incurs unloading costs at place of destination, unless previously agreed they are not entitled to recover any such costs. Importer is responsible for effecting customs clearance, and paying any customs duties.

This term is not in practice but once Multi Modal Act is made simple and many freight and logistics companies become MTOs this term will help the traders.

7. DDP (Delivered Duty Paid)

The seller is responsible for delivering the goods to the named place in the country of importation, including all costs and risks in bringing the goods to import destination. This includes duties, taxes and customs formalities. This term may be used irrespective of the mode of transport.

For a land locked country like Nepal and at the present context of government policies this term is a bit too risky and not suggested for use. However, it is noticed that some importers have been using this term in their contract of trade.

8. FAS (Free Alongside Ship - named port of shipment)

The seller must place the goods alongside the ship at the named port. The seller must clear the goods for export. Suitable only for maritime transport but NOT for multimodal sea transport in containers (see Incoterms 2010, ICC publication 715). This term is typically used for heavy-lift or bulk cargo.

9. FOB (Free On Board - named port of shipment)

The seller must load themselves the goods on board the vessel nominated by the buyer. Cost and risk are divided when the goods are actually on board of the vessel (this rule is new!). The seller must clear the goods for export. The term is applicable for maritime and inland waterway transport only but NOT for multimodal sea transport in containers (see Incoterms 2010, ICC publication 715). The buyer must instruct the seller the details of the vessel and the port where the goods are to be loaded, and there is no reference to, or provision for, the use of a carrier or forwarder. This term has been greatly misused over the last three decades ever since Incoterms 1980 explained that FCA should be used for container shipments.

This is one term widely accepted by traders and government but is totally WRONG in the context of Nepal and should be stopped immediately.

10. CFR (Cost and Freight)

The seller must pay the costs and freight required in bringing the goods to the named port of destination. The risk of loss or damage is transferred from seller to buyer when the goods pass over the ship's rail in the port of shipment. The seller is required to clear the goods for export. This term should only be used for sea or inland waterway transport.

This term misses the insurance component and in Nepal where government earning is mostly taxes it is found that it is not much encouraged.

11. CIF (Cost, Insurance & Freight)

The seller has the same obligations as under CFR however he is also required to provide insurance against the buyer's risk of loss or damage to the goods during transit. The seller is required to clear the goods for export. This term should only be used for sea or inland waterway transport.

An explanation to this term is already given above. It is used with wrong notion and not much appreciated in international trade because the intention should be to avoid hassle and liabilities rather than taking it.

Points to be noted when using INCOTERMS in negotiation by traders:

If you use INCOTERMS in the Sales Contract or Purchase Order, you should identify the appropriate INCOTERM Rule [e.g. FCA, CPT, etc.], state INCOTERMS and specify the place or port as precisely as possible.

RECOGNIZE WHERE THE RISK OF LOSS TRANSFERS:

A common misconception when the Seller pays the freight is that the Seller has the risk of loss until the goods are delivered to the place or port specified on the bill of lading or airway bill. Actually, when using INCOTERMS CPT, CIP, CFR or CIF, risk transfers to the Buyer when the Seller hands the goods over to the carrier at origin, not when the goods reach the place or port of destination. This is also clearly illustrated in the picture above.

Understand that under CIP and CIF, the Seller is only obliged to obtain insurance.

UNDERSTAND WHO HAS RESPONSIBILITY FOR LOADING AND UNLOADING CHARGES FOR EXAMPLE:

DAT obliges the Seller to place the goods at the Buyer's disposal after unloading at the named terminal at port or place of destination.

DAP obliges the Seller to place the goods at the Buyer's disposal on the delivering carrier ready for unloading at the named place of destination.

CPT, CIP, CFR or CIF on the other hand, require the parties to identify as precisely as possible the point at the agreed port of destination because the costs up to that point are for the account of the Seller.

DDP is the only INCOTERM where the Seller has responsibility for U.S. Customs entry declarations.

IMPORTANT for CIF/CPT/DAP/DDP etc. : An important factor to be considered when asking the seller to be responsible for international carriage is if the goods ship by Ocean Freight, an importer Security Filing (ISF) must be electronically submitted to Customs 24 hours before the cargo is laden on the vessel bringing the cargo to the U.S. The Buyer should specify in the contract either (a) the shipper is responsible for the ISF or (b) the Seller is responsible for providing the required data in a timely manner (i.e. 72 hrs. before lading) to the Buyer's appointed agent (e.g. Customs Broker). When the broker and the international forwarder are unrelated parties, this requirement is honored more in the breach than in the observance. The Buyer should indemnify against the penalties (US\$5,000) for filing a late, inaccurate or incomplete ISF. The ISF does not apply at this time to airfreight shipments.

DETERMINE THE IMPORTANCE OF SUPPLY CHAIN VISIBILITY

When CPT, CIP, CFR or CIF are used the seller fulfills its obligation to deliver when it hands the goods over to the carrier, not when the goods reach the place of destination as shown in the illustrations above.

Conclusion:

The INCOTERMS are very important and must be used with utmost attention. Therefore, it is imperative that the concerned authority take initiative and disseminate the knowledge to all stakeholders for a smooth and discrepancy less business transaction. It is essential for exporter & Importer to consider the very practical relationship between the various contracts needed to perform international sales transaction – where not only the contract of sales is required, but also contracts of carriage, insurance and financing are equally important. Parties using the terms necessarily have implications for the other contracts as well.

NTIS 2016

Nepal validated its first Diagnostic Trade Integration Studies (DTIS) as the Nepal Trade and Competitiveness Study (NTCS) in 2004. The study analyzed Nepal's trade regime and performance, and identified products with comparative and competitive advantage. The country developed and adopted Nepal Trade Integration Strategy (NTIS) 2010 as an updated version of NTCS 2004 that basically focused on development of 12 goods and 7 services areas for making the trade inclusive and equitable and contributing to the poverty reduction goal adopted by the government. NTIS 2010 also charted out actions and interventions in cross-cutting areas and priority export potential sectors aimed at increasing exports.

Despite efforts to implement sectorial policies and measures supportive of value chain development, trade mainstreaming and enhancement of export competitiveness, Nepal's trade performance over a decade remained less satisfactory, resulting in a huge deficit in trade in goods. Poor performance of Nepal's trade is mainly attributed to supply side constraints, low investment, inadequate trade infrastructure and trade facilitation measures, among others. Persistent deficit in trade in goods and deteriorating terms of trade have posed challenges in achieving inclusive and sustainable economic growth.

Nepal Trade Integration Strategy (NTIS) 2016 is Nepal's third generation trade integration strategy. NTIS 2016 seeks to address the outstanding trade and competitiveness challenges confronted by the country's export sector. This strategy, thus, focuses on identifying actions to address protracted constraints in a number of cross-cutting areas. They include:

- I. Institutional capacity building for trade, including capacity for trade negotiations
- II. Business environment for investment and trade
- III. Trade and transport facilitation
- IV. Standards and technical regulations
- V. Sanitary and phyto-sanitary measures
- VI. Intellectual property rights
- VII. Issues related to trade in services

Moreover, NTIS 2016 recognizes potentials for product and value chain development in the following priority export sectors:

- I. Agro and forest products (cardamom; ginger; tea; and medicinal and aromatic plants);
- II. Craft and manufacturing products (all fabrics, textile, yarn and rope; leather; footwear; chyangra pashmina; and, knotted carpets); and
- III. Services (skilled and semi-skilled professionals at various categories; Information Technology and Business Process Outsourcing [IT and BPO]; and tourism [including leisure, business, education, and medical]).

Similarly, fruit and vegetable juices; all fabricated steel and metals; lentils; silver jewelry; instant noodles; paper products; wool products; honey; readymade garments; coffee; semi-precious stones; and hydro-electricity have also been identified as other potential sectors.

NTIS 2016 has been formulated in close complementarity with the Trade Policy 2015.

Objectives of NTIS 2016

To substantially enhance trade sector's contribution to GDP through trade-centered growth and to overcome the constraints and challenges associated with trade development and export promotion, the NTIS aims at achieving the following objectives:

- a. Strengthen trade and export enabling environment;
- b. Focus on product development and strengthen supply capacity of priority products;
- c. Strengthen institutional capacity, trade negotiation and inter-agency coordination; and
- d. Build and enhance trade-related infrastructures.

Priority Export Potentials

NTIS 2016 has identified priority export potential goods and services based on two road criteria:

- a) Export performance and
- b) Inclusive and sustainable development. The criteria applied for the selection of priority export potential goods and services are mostly similar to those of NTIS 2010 with some additional parameters complemented by inputs from various stakeholders provided through consultations. The details of the criteria and the respective weightage are shown in the table below:

Criteria and Weightage for Selecting Priority Export Potential Goods and Services

Criteria/Parameters	Weightage (%)
I. Export Performance	
Export size	15
Export growth	20
Export potential index	20
Potential value addition	15
Potential destinations diversification	10
Sub-total	80
II. Inclusive and Sustainable Development	
Geographical regions	4
Environmental impact	4
Employment generation	4
Gender impact	4
Skills intensity and income generation	4
Sub-total	20
Total (I + II)	100

The 12 sectors with the highest scores were selected as priority export potential sectors and the focus of in-depth analyses in the Strategy. Based on the scoring approach described above, nine goods sectors (four agro-based and five craft and manufacturing-based) and three services were selected, as shown in table below. It should be noted that fewer priority sectors were identified for NTIS 2016 compared to NTIS 2010. The reason for the further prioritization from 19 to 12 sectors is a lesson learnt from the implementation of NTIS 2010. It is important to focus the attention of stakeholders on a manageable set of priority value chains to ensure that sufficient capacity and resources are available for the complex tasks of realizing the desired outcome of sustainable export growth, benefitting poor and marginalized groups.

Priority Export Potential Sectors

Priority Export Potential Sectors		HS Codes
Agro-based products	Cardamom	090830
	Ginger	091010
	Tea	0902
	Medicinal and Aromatic Plants	1211
Craft and manufacturing products	All Fabrics, Textile, Yarn and Rope	5509, 5407, 6305
	Leather	4104, 4106
	Footwear	6404
	Pashmina	6214
	Carpets	5701
Services	Skilled and Semi-Skilled Professionals at Various Categories (Remittance Generating Services)	
	IT and BPO and IT Engineering	
	Tourism (including leisure, business, education, and medical)	

All agro-based goods and Pashmina in the list of NTIS 2016 priority export potentials were in the list of priority sectors in NTIS 2010. Likewise, skilled and semi-skilled professionals at various categories, IT and BPO, and tourism services were also selected in NTIS 2010. Yarn, footwear, leather products, all textile products, and knotted carpets are new products selected in the priority list of NTIS 2016.

Export Performance and Inclusive Sustainable Development Impact

Sectors	Export Size	Export Growth	EPI	Potential Value Addition	Potential Destination	Regions	Environment	Employment Impact	Women	Skills+ earning
Agro Based Goods										
Cardamom	M	M	H	H	M	L	M	H	M	L
Cardamom	L	M	H	H	M	H	H	H	M	L
Medicinal Plants	L	L	H	M	M	M	H	M	H	L
Tea	L	L	H	H	M	M	L	H	H	M
Craft and Industrial Goods										
All Fabrics, Textile, Yarn, and Rope	H	L	H	M	M	M	L	M	L	M
Carpets	H	L	H	L	M	L	L	H	H	L
Pashmina	M	L	H	M	M	L	L	M	H	L
Footwear	L	H	M	M	M	L	M	L	L	M
Leather	L	M	H	H	M	M	L	L	L	M
Services										
Skilled and Semi-Skilled Professionals	H	H	H	M	M	H	L	H	L	H
Tourism	H	L	M	M	M	M	L	H	M	H
IT and BPO and IT Engineering	L	M	H	H	H	L	M	L	L	H

Note: L - Low; M - Medium; H - High

In addition to receiving in-depth focus in the analysis the 12 sectors will receive priority attention for implementation of Actions in the coming years.

Other Export Potentials and Continuation from NTIS 2010

It needs to be ensured that the implementation of sector-specific actions identified in NTIS 2010 should continue for sectors no longer included in NTIS 2016 priority list. In addition, stakeholders consulted during the formulation of NTIS 2016 indicated additional interest for a short list of sectors not included among the 12 sectors identified through the scoring approach. The result is a hybrid list of other export sectors deserving new or continued attention:

1. Hydro-electricity
2. All fabricated steel and metals
3. Coffee
4. Fruit and vegetable juices
5. Honey
6. Instant noodles
7. Lentils
8. Paper products
9. Readymade garments
10. Semi-precious stone
11. Silver jewelry
12. Wool products

Trade facilitation in Nepal

Nepal liberalized its foreign trade in 1990s to facilitate the international trade. Trading of the products where liberalized. Only a few items were kept in restricted items which need license. The OGL is issued directly through the commercial bank by the system of opening letter of credit. Importer and exporter consult with the commercial bank and negotiate and open the letter of credits. This is the great evolution in the trade sectors of Nepal. In the SAARC region Nepal is the first country who liberalized its external trade.

Nepal has established three Inland Container Depots at major customs points – Biratnagar, Birgunj and Bhairahawa. The World Bank fund project the Multimodal Transport Board in the Ministry of Commerce had implemented above ICD (Integrated Container Depot) construction programs in 1997. While implementing the ICD project, Ministry established a National Steering Committee for trade facilitation comprising various public/private stakeholders and chaired by Secretary, Ministry of Commerce. These ICDs projects were completed in September 2003. For the export promotion of major products the government established various councils such as Carpet Export Council and Readymade Garment Export Promotion Council of Nepal and National Tea and Coffee Development Board (NTCDB). These councils have sole authority to formulate policies, rules and development programs with the close coordination of the Government. They launched various kinds of product development programs, skill development programs and export promotion programs with the help of private sectors. The Ministry of Commerce arrange participation of private sectors regularly in the international events Hanover Carpet Exhibition and Magic Show exhibition of garments in America.

Nepal has signed an agreement of Railway Services Agreement with India in 2004 for the smooth flow of cargo from Kolkata port to ICD Birgunj by rail. It is believed that freight will be released by 40% in transportation of containers by rail. In 2006, with the technical assistance of Asian Development Bank (ADB) Kakarvitta ICD was constructed to facilitate the cargoes movement to and from Nepal to Bangladesh and India.

The Customs is the key stakeholder of trade facilitation. Modernization of customs and simplification procedures are the hearts of the trade facilitation. Nepal has started to modernize customs since many years ago. It has adopted Asycuda system in 1996 with the technical support of ADB. Now Nepal is going to upgrade the Asycuda ++ to ASYCUDA WORLD with the technical assistance of ADB. Because Asycuda world is the most scientific and modern system which will allow customs administration and traders to handle most of their transactions from Customs Declaration of Cargo manifests and transit documentation via internet. It means Nepal is moving to 'one stop service' mechanism for export and import.

Nepal is trying to reduce transit transportation cost and time to make products more competitive. So to make simpler and the harmonize procedures Nepal has signed an agreement with Government of India in 2009 to establish four Integrated Check Posts in the major border customs points of Nepal-India at Biratnagar, Birgunj, Bhairahawa and Nepalgunj. These four check posts will have similar physical facilities of quarantine laboratory, quality, immigration, parking, warehousing and other facilities. It will facilitate to speedy movement of cargos.

To overcome the problems of quality, sanitary and phyto-sanitary and standard, Nepal is trying to upgrade the physical facilities Nepal Bureau of Standard and Meteorology and Department of Food Technology and Quality Control. Many donor agency such as ADB, European Union (EU) and the World Bank are helping to upgrade these Laboratories of these agencies.

Government of Nepal is implementing four ICP along the Nepal India border i.e. Biratnagar, Birgunj, Bhairahawa and Nepalgunj with the technical assistance of India. These ICP will be well equipped with Lab, EDI connectivity, security, banking facilities, parking and Customs. The Government of Nepal has been implementing various trade facilitation activities through Nepal India Regional Trade and Transport Project funded by the World Bank. These activities include National Single Window, Trade Portal, Laboratories, Naranyangarh – Mungling road extension, Cargo tracking system, establishment of Kathmandu CFS, warehouse shed extension, and ICD facilities improvement. It is believed that after the completion of the project export/import to and from Nepal will be easier, faster and less costly.

Conclusion

Trade Facilitation is an integrated approach for making doing export import simpler, easier, cost effective and transparent so that all the stakeholders will be benefited. The Government will increase its performance and goodwill, businessmen will escape from red tapism by transparent procedures and consumer will get goods at lower price and investors will be encouraged for investment due to hurdle less. Nepal has been carrying various plans, projects and activities for the trade facilitation by its own resources and with the bilateral and multilateral resources.

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