

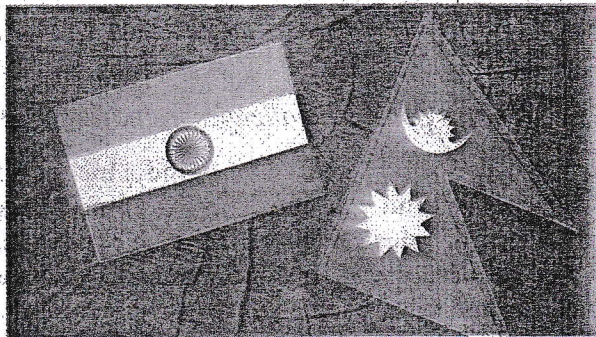
India-Nepal inter-govt committee to discuss intensifying trade ties soon

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The India-Nepal inter-governmental committee on trade, transit and cooperation is likely to meet this month to discuss ways to intensify trade and investment ties and address trade-related problems between the two countries.

"Market access for pharmaceuticals and Ayurvedic products, proposed amendments to existing agreements, strategies for enhancing investment, harmonisation of standards, and synchronised development of trade infrastructure are likely to be on the agenda, as these were also discussed in the sub-committee meetings," sources tracking the matter told *businessline*. The meeting is important, especially as India is also trying to score diplomatic points with Nepal to check its greater shift towards China.

India continues to be the largest trading partner of Nepal, according to latest Nepal Trade Statistics released by the Department of Customs. Nepal, however, continues to have the highest trade deficit with both its neighbours, India and China, to the amount of NPR (Nepalese Rupee) 144.67 bil-



NEIGHBOURLY TIES India continues to be the largest trading partner of Nepal GETTY IMAGES/ISTOCKPHOTO

lion and NPR 51.80 billion respectively till mid-September of FY25.

In FY23, India constituted 64.1 per cent of the total trade of Nepal, which included \$8.01 billion of exports from India to Nepal and \$839.62 million of exports from Nepal to India, per a government note.

COLLECTING INPUTS

The Commerce Department is collecting inputs from various industry bodies on the issues they would like to be raised at the meeting. "Inputs have been sought on issues such as investment barriers, any regulatory hurdle, joint venture opportunities, technology transfer, logistics and supply chain issues and any other related issues," the source said.

India has been discussing with Nepal the need to ease exports of Ayurvedic products from India and the matter is likely to be pursued at the meeting. "India is also likely to talk about easing agriculture exports which face impediments in Nepal," the source added.

Nepal's main imports from India are petroleum products, iron and steel, cereals, vehicles and parts, and machinery parts. There are about 150 Indian ventures operating in Nepal, engaged in manufacturing, services (banking, insurance, dry port, education and telecom), power sector and tourism industries. The Treaty of Transit and the Treaty of Trade between the two countries are also likely to be discussed.