

**Opening Remarks by Mr. Chandra Kumar Ghimire,
Secretary, Ministry of Industry, Commerce and Supplies and
Leader of the Nepali Delegation at the 4th Nepal-Bangladesh
Commerce Secretary Level Meeting
Kathmandu, Nepal, 30-31 May 2018**

**H.E. Mr. Shubhashish Bose, Secretary, Ministry of Commerce
and Leader of the Bangladesh Delegation,
Her Excellency Ms. Mashfee Binte Shams, Ambassador of
Bangladesh to Nepal,
Distinguished Members of the Bangladesh Delegation,
My Fellow Colleagues from the Nepali Delegation,
Ladies and Gentlemen!**

I have the honour to hearty welcome the distinguished delegation of the People's Republic of Bangladesh headed by H.E. Mr. Shubhashish Bose, Secretary, Ministry of Commerce of the Government of Bangladesh, to the 4th Nepal-Bangladesh Commerce Secretary Level Meeting. Personally, I am very delighted that myself and Your Excellency we met today after the Buenos Aires WTO Ministerial Conference. Before I proceed, I also wish to acknowledge Madam Ambassador's proactive role, and admire her for her excellent

coordination between Government of Bangladesh and Government of Nepal to organize this meeting.

Nepal and Bangladesh are close neighbors having similarities in many respects. Both countries have been enjoying cordial relations ever since the establishment of diplomatic relations in April 1972 based on trust, cordiality and mutual cooperation. Geographical proximity, common historical and cultural values and norms along with common understanding on LDCs issues in different fora, both at regional and international, have cemented our relations over the last four decades. The signing of Trade and Payment Agreement and Transit Agreements in 1976 has further strengthened our trade and transit relations. Nepal attaches great importance to its relationship with Bangladesh.

In order to foster trade and economic relations between the two countries, several mechanisms have been in effect. The Commerce Secretary Level Meeting is one of the key mechanisms commenced since 2010 and dedicated to discuss issues relating to trade, investment, and transit facilitation, among others. In this regard, I am happy to recall that three rounds of meetings both at Commerce Secretary and

Technical (Joint Secretary) levels have already been held. Despite series of deliberations, tangible headways are yet to arrive.

I would like to recall the 3rd Bangladesh-Nepal Commerce Secretary Level meeting held in May 2016 in Dhaka where we earned a good mileage and reached understandings on a wide range of issues. Now, we need to build on those decisions and understandings and make concrete progress so that intended benefits could be enjoyed by both sides without further delay.

Notwithstanding enormous potentials, Nepal and Bangladesh are yet to harness benefits in trade, transit, investment, tourism, agriculture, hydropower and other sectors that are equally advantageous to the economy and people of both sides. The low volume of trade, negligible investment and insufficient connectivity do call for deeper engagement between the two sides to rectify these. We need to exert our full efforts to expand the volume & value of trade and increase investment between the two countries. That seems possible through removing both tariff and non-tariff barriers,

improving transit & trade facilitation measures as well as eliminating regulatory obstacles.

Our two countries have enormous potentials of trade. However, the bilateral trade stands at US \$ 50 million only. In the fiscal year 2016/17, Nepal's export to Bangladesh was equivalent to US \$ 10 million while its import from Bangladesh was about US \$ 40 million. Despite increasing trade volume in recent years, Nepal's total trade with Bangladesh is limited to only around 0.3% of its total trade. During the first Nine months of the current fiscal year 2017/18, Bangladesh Imports to Nepal stands at US \$ 34 million while Nepal's export to Bangladesh is worth US \$ 8 million. This results in US \$ 26 million trade deficit to Nepal. Therefore, we must strive for a balanced trade.

As there have been great demands of agro, horticultural and dairy products, yarn, handicrafts, pharmaceuticals in Bangladesh, Nepal can take benefit from enhancing production and quality of such products. Similarly, Bangladesh can enjoy benefits from the comparative advantages of Nepal.

We have realized that due to increasing tariff and non-tariff barriers in Bangladesh market, Nepali products, in particular, tea, coffee, large cardamoms, ginger, herbal products, broom, fresh vegetables, apples, oranges, yarn, lentils, cutch (*kathaa*), vegetable seed, pashmina, handicraft, among others, are facing difficulty while entering into Bangladesh markets. Hence, we would like to see positive consideration and required intervention from the Bangladesh side so as to facilitate exports of both primary and manufactured goods from Nepal to Bangladesh.

It is encouraging to note that Bangladesh has shown its keen interest in investing in Nepal's hydropower, tourism, agriculture and other potential sectors that have high return prospects. Considering Nepal's strategic location between two large economies of Asia, there are ample opportunities for Bangladeshi investors to generate profit from establishing manufacturing and services industries in Nepal. We are very happy to note that following the success of 3 tier elections, we concluded our long transition, we regained peace and stability and we fixed up our governance plus law & order system. Now, our journey ahead goes on the agenda of economic progress and prosperity as '**Sambridha Nepal, Sukhi Nepali**'

(Prosperous Nepal, Happy Nepali) is the vision of the Rt Hon'ble PM Mr KP Sharma Oli. As Nepal embarks on the path of rapid economic growth following the political transformation, we call upon the investors from Bangladesh to increase their investment in Nepal. As a country with rich natural and cultural heritages, Nepal can also be an attractive destination for thousands of tourists from Bangladesh. I call upon the tour operators of both countries to organize trips to Nepal in packages.

Please allow me to touch upon some of the key issues that we are going to discuss in this meeting. In the past, we have already exchanged two offer lists: 1st, duty free access to be extended by Bangladesh to Nepali products; 2nd, preferential access to be extended by Nepal to Bangladeshi products. Now, we have to discuss on the implementation modality to operationalize those understandings along with reviewing the earlier list taking into account each other's genuine concerns. We also have exchanged views and refined the text of draft agreement on operational modalities for carriage of transit cargo. Despite, several rounds of meetings, we have not been able to conclude that agenda. So, we need to pay special focus on finalizing it this time. We are yet to reach agreement on

regulation of motor vehicles passenger traffic (Dhaka-Kathmandu Bus Services). In the context of increasing mobility of students, business persons and ordinary citizens, it is essential for us to reach the agreement to ease their movement. Similarly, two MoUs are long awaiting our response to conclude them. First, fosters support between DFTQC of Nepal and BSTI of Bangladesh on food safety related SPS measures, and the Second, MoU between DoA, Nepal and DAE, Bangladesh on cooperation for plant SPS matters. Nepal is also eager to see infrastructure development as well as procedural simplification along the agreed transit routes in Bangladesh that will support Nepal to enjoy a smooth transit facility for its trade to Bangladesh and other countries via Bangladesh. Similarly, we are very close to conclusion of modalities to operationalize the Rohanpur-Singhabad rail route by including it in the existing Transit Agreement. Likewise, easing visa procedures for each other's nationals both at land and air entry points and simplification of registration process for Nepali pharmaceutical products in Bangladesh seem to be equally pertinent. Furthermore, allowing Banglabandh for exporting Nepali yarn to Bangladesh is another vital concern. Removal of a number of tariff and non-tariff related concerns while exporting from

Nepal to Bangladesh is counting on our joint and efficient deliberations. In nutshell, let's focus this time with full energy to address the growing trade deficit of Nepal with Bangladesh. In this pursuit, above stated ways forward are a few tips of the iceberg.

I look forward to a constructive discussion and deliberation during this meeting. Last but not least, I wish Your Excellency and your team members a pleasant and memorable stay in Kathmandu.

Welcome you all and thank you very much once again!