

Exports to China go up four-fold to Rs 980m

POST REPORT

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NEPAL'S exports to China surged four-fold over the first four months of the current fiscal year, thanks to increased promotion of Nepali goods in the Chinese market. However, the surge in export remains insignificant compared to the country's import from the northern neighbour resulting in huge trade deficit for Nepal.

Trade and Export Promotion Centre (TEPC) statistics show that the export to China surged to Rs 980 million in four months from Rs 240 million during the same period last year. Handicraft items like metal crafts, pashmina and woollen products along with edibles including wheat flour, noodles and chocolates are among the major exports to China, according to the TEPC.

During the same period, the country imported goods worth Rs 24.76 billion that led to the swelling of the country's trade deficit with China to Rs 23.78 billion.

"Increasing participation of Nepali entrepreneurs in trade fairs in China along with rise in Indian tourists helped increase exports to China," said Rajesh Kaji Shrestha, president of Nepal-China Chambers of Commerce and Industry (NCCCI).

According to him, increasing number of Chinese visitors are taking home Nepali goods as souvenir, contributing to the growth in exports. A total of 75,517 Chinese visitors came to Nepal in 2011; of the total, 48,379 visited Nepal by air.

With China also providing duty free access to 7,787 Nepali products alongside those from other least developed countries, Shrestha expects Nepal's export volume to China to grow further.

Bikash Ratna Dhakhwa, president of Federation of Handicraft Associations of Nepal, has noted a growing demand for metal images of Buddha along with other handicraft items like woollen products.

Trade expert Ratnakar Adhikari said that the rise in exports to China

would not make a big difference in reducing a huge trade gap between the two countries. "While China's offer of zero tariffs on Nepali goods is a welcome move, the existing non-tariff barriers stand as hurdle to Nepal's exports," he added.

Traders say that hassles within the country and China are affecting the exports. "The exporters will have to go through seven check points along the Bhaktapur-Liping segment of Araniko Highway while exporting the goods,"

EXPORT

2011-12	2012-13	Change (in %)
0.24b	0.98b	308.9

IMPORT

2011-12	2012-13	Change (in %)
17.56 b	24.76	41.0

said Sonorbu Sherpa, a trader.

"In addition, we are bound to load-unload again at the Chinese custom point in Liping which shoots up the cost further," said Sherpa. He said that the language is another barrier facing the exporters as they have to forward documents in Chinese. "There should be a bilateral talk to allow the export documents in English language," he added.

Traders are hopeful that exports to China would rise further once the proposed dry port at Larcha, Sindhupalchok comes into operation. The construction of the dry port got underway last week after Commerce Secretary Lalmani Joshi and Chinese ambassador to Nepal Yang Houlan laid the foundation stone at the project site.

Nirmal Hari Adhikari, chief at the Tatopani Customs Point, said the major customs procedures in exports will be carried out in the dry port after its completion which will reduce ongoing hassles significantly.

"After the completion of the dry port, the government has planned to seal the container only at the port which will be opened only at the customs check point in Liping, China," said Adhikari.