

China removes hurdles in citrus export

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KATHMANDU, July 7: Nepal and China have signed a memorandum of understanding (MoU) in order to address the issues related to quality standard of Nepali agricultural products exported to China. The MoU was signed at the third meeting of the Nepal Tibet Trade Facilitation Committee (NTTFC), which concluded on Thursday in Tibet.

"We have signed an MoU with China so that our citrus products can have access to the Chinese market," said Naindra Prasad Upadhaya, joint secretary at the Ministry of Commerce and Supplies (MoCS). "Quarantine related issues are the major obstacles to increasing our export to China. This is a step towards further improvement."

The meeting that basically discussed problems related to tariff and non-tariff barriers has been successful in terms of removing barriers, Upadhaya said, "China has assured us that it would further support Nepal to upgrade the quality and capacity of Nepali laboratories at different customs points."

The meeting that was led by Mei Yubao, deputy secretary general of the government of Tibet Autonomous Region China from the Chinese side had complained about Nepal's certificate of origin (CoO). "Chinese side was expressing concerns over the Nepali CoO. Basically, they were saying that the CoO issued were not technically sound." In response, the Nepali side has assured that the weaknesses would be improved.

Additionally, China has agreed to construct parking yard on the border points so that the problem of congestion can be removed. "The meeting has been successful in developing a mechanism in order to resolve the day-to-day problems that the traders from both the countries face," Upadhaya said. "There will be focal persons from both the countries in the border area to facilitate traders."

China has provided the preferential treatment to 4,721 Nepali products. However, Nepal has failed to tap the potential market of China and boost trade. According to Trade and Export Promotion Center (TEPC), trade deficit with China shot up to Rs 38.2 billion during fiscal year 2009/10 from Rs 11 billion recorded in 2005/06.

Different studies on Nepal-China trade reveal that the China has been negating the preferential treatment it has provided to the Nepali products. "China brings up different issues such as quarantine and language," said Dr Ratnakar Adhikari, presenting a paper in a seminar organized by Institute for Foreign Affairs, on Friday in Kathmandu .