

# Over 50pc chemical fertilisers imported ‘unofficially’

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Government officials have revealed that more than half the chemical fertilisers used in the country’s agriculture industry is imported via unofficial channels.

“The annual demand for chemical fertilisers in Nepal stands at 700,000 metric tonnes. However, we have records for only 300,000 metric tonnes entering the country via the official channel,” said Yogendra Karki, joint secretary at the Ministry of Agricultural Development (MoAD) during a programme organised by South Asia Watch on Trade, Economics and Environment (SAWTEE).

According to Karki, domestic traders are importing almost 400,000 metric tonnes of chemical fertilisers annually via unofficial channels from India due to the open border. He also informed that unofficial import of chemical fertilisers from India is increasing as chemical fertilisers in the southern neighbour are comparatively cheaper as the Indian government provides huge subsidy to farmers on fertilisers.

Informing that farmers are impelled to buy fertilisers that are imported through the unofficial channels not just due to the price factor but also due to the government’s inability to ensure regular supply, Karki said, “If we can supply chemical fertilisers to farmers as per their demand and on time, farmers will not be attracted to Indian chemical fertilisers despite them being comparatively cheaper.”

Speaking on the occasion, former commerce secretary Purushottam Ojha said that Nepal can ask the Indian government to provide subsidised chemical fertilisers to Nepal. According to him, the Nepal-India Trade Treaty has a provision whereby Nepal can ask India to supply its subsidised product to Nepal citing that comparatively higher subsidy on fertilisers has affected price competitiveness of fertilisers in the domestic market.

SAWTEE had conducted a study to assess informal cross-border trade in agricultural inputs across specific locations along the India-Nepal border together with CUTS International of India.

The study had basically focused on unofficial import of agricultural inputs like vegetable seeds, chemical fertilisers, paddy seeds and agricultural machinery.

As per the study conducted by SAWTEE, informal import of chemical fertilisers is increasing in Nepal especially due to the availability of such fertilisers at a low price in India and due to sporadic and unreliable supply in the domestic market. Thus, the SAWTEE report has suggested the government to ensure regular supply of agricultural inputs like chemical fertilisers and ensure their price competitiveness to reduce the booming informal import of agricultural products.

“The government should facilitate frontier trade and simplify procedural hurdles for farmers to purchase agricultural products in a bid to encourage them towards doing formal trade,” said Posh Raj Pandey, chairman of SAWTEE, adding that operation of common agricultural markets on both sides of the Nepal-India border will also reduce informal trading.