



**NEPAL FREIGHT FORWARDERS ASSOCIATION
(NEFFA)**

COUNTRY REPORT - NEPAL

Secretariat

:-

NEPAL FREIGHT FORWARDERS ASSOCIATION

P.O.BOX No.20283

Naxal, Kathmandu, Nepal

Tel: + 977-1-4419769

Fax: + 977-1-4423735

E-mail : neffa@mail.com.np

<http://www.neffa.org.np>

Nepal Freight Forwarders Association (NEFFA)

Introduction:-

The Importance of international trade has significantly increased due to global economic liberalization. Efficient and fast movement of goods internationally has become the need of the day. Therefore, the importance of freight forwarders in facilitating smooth flow of goods internationally cannot be minimized.

Under such circumstances, the solidarity of the freight forwarders is a must. With this objective in mind, Nepal Freight Forwarders Association was established in 2055 BS. Nepal Freight Forwarder Association (NEFFA) caters information, gives consultation, produces reports through workshop, seminars, interactions, training etc. NEFFA is a non-political, non-profit making, non-governmental association of Nepal. The members of association have been increasing since its establishment.

Mission:-

NEFFA's mission is to facilitate international trade by delivering goods at the destination in an efficient and most economic manner.

Objectives:-

The objectives of NEFFA are as follows:

- Safeguarding the rights and privileges of freight forwarder and companies related to transportation;
- To promote and develop national and international transportation industry business;
- To safeguard the rights and privileges of transportation entrepreneurs and its employees;
- .

General Assembly:-

The apex policymaking body of NEFFA is its general Assembly comprising of all members, which generally meets on annual basis.

Executive Committee:-

The activities and the functions of NEFFA are planned and executed by the Executive Committee consisting of President, 1st Vice President, 2nd Vice President, General Secretary, Treasurer, Secretary and Eight Executive Members. The immediate Past President is ex-officio Member of the committee. The Executive Committee is elected by the general assembly and elected Executive Committee also nominates two Executive Members. Its tenure is for the period of three years. It also has the provision of forming a advisory committee.

Services:-

The following services are provided by NEFFA

- To represent the freight forwarding community in national and international forums;
- To provide expert services to freight forwards;
- To coordinate and report the activities of NEFFA to concerned chapters, agencies and institutions;
- To establish relationship with similar national and international associations;
- To liaise with government and public sectors'
- To settle dispute and realize credit;
- To provide airport and custom agent service.
- To collect and publicize data, statistics and news about freight forwarding industry.
- To publish magazines, books and book letters etc about freight forwarding industry.
- To publish "NEFFA Newsletter", the official newsletter of NEFFA.
- Provide its expertise to Government of Nepal on its policy and Acts related to Transport and International Business.

International Linkages:-

C:\Documents and Settings\exue\Local Settings\Temporary Internet Files\OLK78\COUNTRY REPORT- NEPAL FREIGHT FORWARDERS ASSOCIATIO.doc

NEFFA is the member of the following international organizations:

International Federation of Freight Forwarders Associations (FIATA)

Schaffhauserstrasse 104, CH-8152 Glattbrugg/Switzerland
Phone: ++41 (0)43 211 65 00 Telefax: ++41 (0)43 211 65 65
E-mail: bloch@fiata.com
Internet: www.fiata.com

Federation of Asia-Pacific Air Cargo Associations (FAPAA)

c/- Suite 403, Level 3
152 Bunnerong Rd, EASTGARDENS
NSW 2036, AUSTRALIA
Tel: 61 2 9314 3055
Fax: 61 2 9314 3116
Website: www.fapaa.org

South Asia Federation of Freight Forwarders Association (SAFFA)

C/O Ceylon Chamber of Commerce
50 Navam Mawatha, Colombo 02, Sri Lanka
Tel: 9475371000 Fax: 9475371014 E-mail: drh@sri.lanka.net

Intenational Federation of Customs Brokers Associations (IFCBA)

c/o Canadian Society of Customs Brokers
55 Murray Street, Suite 320
Ottawa, Ontario K1N 5M3, Canada

National Linkages:-

NEFFA is the member of FNCCI.

Federation of Nepalese Chambers of Commerce and Industry (FNCCI)

PO Box 269, Teku, Kathmandu
Tel : (00977-1) 4262061 / 4262218 / 4266889
Fax : (00977-1) 4261022 / 4262007
E-mail : fncci@mos.com.np; fncci@fncci.org
Url : http://www.fncci.org

National-Involvement:-

- Export Promotion Council
- Nepal Tourism Board
- Nepal Chamber of Commerce
- NITDB
- National Planning Commission
- MOCTCA
- MOICS
- MOICS
- MOPPC
- MOT

NEFFA Executive Committee 2005-2008:-

President	:	Mr. Namgyal Lama
IP President	:	Mr. R. M. Singh
1st Vice President	:	Mr. Rameswor K.C.
2nd Vice President	:	Mr. Rajkumar Pandey
Secretary General	:	Mr. Rajan Sharma
Treasurer	:	Mr. Prakash Singh Karki

C:\Documents and Settings\exue\Local Settings\Temporary Internet Files\OLK78\COUNTRY REPORT- NEPAL FREIGHT FORWARDERS ASSOCIATIO.doc

Secretary	:	Mr. Manoj Adhikari
Executive Member	:	Mr. Rustam Lal Shrestha
Executive Member	:	Mr. Sundar Prasad Dahal
Executive Member	:	Mr. Ashok Man Kapali
Executive Member	:	Mr. Ramraja Acharya
Executive Member	:	Mr. Rajendra Sangraula
Executive Member	:	Mr. Y.L. Maskey
Executive Member	:	Mr. Padam P. Pokhrel
Executive Member	:	Mr. Pramod Pandey
Executive Officer	:	Mr. Shivaraj Dhital
Legal Advisor	:	Mr. Nayan B. Shrestha

NEFFA Sub Committees 2005-2008:-

Core Committee

Mr. Namgyal Lama – President
 Mr. R. M. Singh – IPP
 Mr. Rameswor K. C. – Vice President
 Mr. Rajan Sharma – General Secretary

Finance/ Fund Raising / Publication / Publicity Committee

Mr. Prakash Singh Karki – Chairman

Airport/ Airlines / Civil Aviation/ Custom / Multi- Modal / Land Sea & ICD Committee

Mr. Manoj Adhikari – Chairman
 Mr. Rajendra Sangraula – Co-chairman

Training/ Govt. Liaison / Int'l Relation / Domestic Organization Committee

Mr. Sundar Dahal – Chairman
 Mr. Ram Raja Acharya – Co-chairman

Default/ Dispute /Tariff Monitoring & Membership Committee

Mr. Rustam Lal Shrestha – Chairman
 Mr. Ahok Man Kapali – Co-chairman

Current Members of NEFFA:-

S.N.	Members	Total
1.	General Members	100
2.	Associate Members	2
	Total	102

Activities:-

Freight Forwarding and Multi-Modal transport activities are increasing everyday and our members are offering variety of logistics services at par with the international norms.

Nepal being Land locked has to depend on the international shipping lines, Nepal having only one National Airlines also has to work with International Airlines for its international Trade. NEFFA members so far have been working smoothly in exceeding the customer's expectation.

Nepal Freight Forwarders Association (NEFFA) has become instrumental in bridging the relations with the concerned authorities of Nepal Government and Internationally accepted organizations for providing necessary services to the clients of our member.

NEFFA also keeps very cordial relation with Government of Nepal i.e, Nepal Chamber of Commerce, National Planning Commission, Nepal Inter- Modal Transport Development Board, Nepal Rastra Bank, Civil Aviation Authority of Nepal, Security, other export import related Associations & bilateral agencies.

Nepal has bilateral trade agreements with its neighbor and member of South Asia Association of Regional Conference (SAARC) apart from other nations of Asia pacific.

Nepal is now a member of WTO. Hence, the opportunities and prospective of increasing and developing international trade will enhance in future. GSP facility with the European countries and the probable duty free access to USA will further enhance trade with the USA.

NEFFA has been organizing workshops, training for the staffs of its member from time to time. NEFFA has plans to have specialized course training in freight forwarders and air cargo handling. We have had trainers from abroad and India. NEFFA now has been able to train its own members in training activities. We have five internationally recognized trainers certified by the WTO/UNCTAD/ITC of Geneva, Switzerland.

Nepal being a land locked country, it's population is predominantly engaged in agriculture. Industrial activities are in Manufacturing, Energy bases Industries, Agro and forest based industries, Mineral industry, tourism, Construction and Service industry only.

NEPAL: Country Information:-

Nepal is one of the richest countries in the world in terms to bio diversity due to its unique geographical position and latitudinal variation. The elevation of the country ranges from 60 m at sea level to the highest point on earth, Mt. Everest at 8,848 m, all within a distance of 150 km resulting into climatic conditions from Sub-tropical to arctic.

Nepal-occupying only 0.1% of the earth-is home to:

- 2% of all the flowering plants in the world;
- 8% of the world's population of birds (more than 848 species);
- 4% of mammals on earth;
- 22 of the world's 15 families of butterflies (more than 500 species);
- 600 indigenous plant families;
- 319 species of exotic orchids.

NEPAL AT A GLANCE

Area:

147,181 sq.kms.

Geography:

Situated between china in the north and India in the south.

Capital:

Kathamandu

Population:

23.21 Million (Male- 11.58 million, Female- 11.62 million)

Language:

Nepali is the national language. However cargo/travel-trade people understand and speak English as well.

Currency:

Nepalese Rupee (Approximately US \$ 1 equals Rs. 72.89 as of 19th October 2006)

Religion :

C:\Documents and Settings\exue\Local Settings\Temporary Internet Files\OLK78\COUNTRY REPORT- NEPAL FREIGHT FORWARDERS ASSOCIATIO.doc

Nepal enjoys the distinction of being the only Hindu Kingdom in the world, however, there is a harmonious blending of Hinduism and Buddhism.

Climate:

Nepal has huge variance in attitude and topography, hence diversity of weather and climate. The country experiences tropical, mesothermal, microthermal, taiga and tundra type of climate. There are four climatic seasons in Nepal namely Spring, Summer, Autumn and Winter. Spring and Autumn are the most pleasant seasons. The Terai is hot and humid in summer with temperature going up to 40⁰C. The mid-mountain region are pleasant all round the year. The Northern Himalayan region has an alpine climate. In Kathmandu the maximum temperature in winter is normally 18⁰C to 20⁰C and in summer it goes to about 30⁰C-32⁰C.

People :

Nepal has more than 40 ethnic groups and 70 spoken dialects.

What to wear: Lightweight clothing is recommended for May through October March an Umbrella or a raincoat is a must for the rainy season.

Weight & measure:

Metric system.

Fiscal Year:

Nepalese Fiscal Year starts from Mid July (i.e. First Shrawan)

Administrative Division:

The country is administratively divided into 5 development Regions, 14 Zones and 75 Districts.

Literacy Rate:

Total: 53.7%, Male: 65.1%, Female: 42.5% (2001 census) 54.1 (above 6 years)

Public Holidays:

New year (Nepal Calender), Mata Tirtha Aunsi (Mother's day), Buddha Jayanti, Guru Purnima. Janai Purnima, Gai Jatra (Kathmandu Valley), Krishna Janmasthami, Kuse Aunsi (Father's day) Indra Jatra (Kathmandu Valley), Ghatasthapana, Dashain Festival (nine days), Tihar festival (four days), Constitutional Day, National Unity Day, Shree Panchami, Martyrs' Day, Maha Shivaratri, National Democracy Day, Holi Festival, Ghode Jatra (Kathmandu Valley), Chaite Dashain, Ram Nawami & Bhote Jatra (Kathmandu Valley).

Official Holidays:

Saturday is the weekend holidays in Nepal when most government offices are closed. NEFFA Secretariat observes Saturday as weekend.

Working Hours:

Government Offices open form 10 A.M. to 5 P.M. and NEFFA Office also opens from 10 A.M. to 5 P.M. (For 3 months in winter, 10:00 A.M. To 4:00 P.M.)

Ports:

No ports in Nepal.

Nearest port:

Kolkata(India), Chittagoan, Mangola (Bangladesh)

Road :

Road Network is of about 17,217 k.m(mid March 2006) in which black topped road 4871 km. Gravel road 7403 km. And fair weather road 7643 km.

Air:

Nepal has one International Airport by the Name of :Tribhuvan International Airport and 44 airfields all over Nepal. International servicing airlines are Nepal Airlines Corporation, Aeroflot Russian Int'l Airlines, Biman Bangladesh Airlines, China South west Airlines, Druk Airlines (Bhutan), Dragon Air Hon Kong, Gulf Air, India Airlines, Lufthansa German Airlines, Pakistan International Airlines, Qatar Airways, Singapore Airlines, Thai Airways, Transavia Airlines etc. Domestic Airlines operating in Nepal are Buddha Air, Cosmic Air, Gorkha Air, Nepal Air, Shangrila Air, Sita Air, Sky line, Yeti, Airlines, Agni Air etc.

Railways:

Janakpur-Jayanagar Railway service operation of about 29 k.m.Raxaul-Birgunj Dry Port-Railway service operation of about 4.5 k.m.

Dry port:

Birgunj Dry Port links by rail, Bhairahawa and Biratnagar links by truck.

Cold storage:

Cold storage will be operate in near future at TIA, Air Cargo Terminal Building.

Banks:

Banks are open between 10:00 A.M. to 3:00 P.M. They are closed on Saturdays and other holidays.

Time:

Nepali time is 5 hours 45 minutes ahead of GMT and 15 minutes ahead of India Standard time.

GDP Growth:

In the FY2003/04 per capita GDP at current producer's price was Rs. 20,030 (equivalent to US\$ 271), which grew by 4.4 percent FY 2004/05 reaching Rs. 20,912 (equivalent to US\$ 294). Per capita GDP, in US dollar terms, is estimated to have grown by 8.5 percent, major reason being the appreciation of Nepalese currency vis-avis US dollar. In constant price at factor cost, per capita GDP is estimated to have increased by 0.2 percent in **FY 2004/05 against 1.1 percent in the previous fiscal year.**

Per Capita GNP:

Gross National Product (GNP) in FY 2004/2005, at current prices, is estimated to reach Rs. 539.37 billion as compared to Rs. 508.54 billion in FY 2003/2004. Per capita GNP during the same period is estimated to have increased by 3.7 percent. In rupee terms, it amounts to Rs. 21,322 or approximately US\$ 300 as compared to Rs. 20,554 or about US\$ 278 in FY 2003/04. Rise in per capita GNP in US Dollar terms is estimated at 7.9 percent for FY 2004/05)

Visa Information:-

A visa is required to enter Nepal. One can get a visa at the Royal Nepalese Embassy or Consulate or at the airport upon arrival. Children under 10 years need not pay any visa fees. Two passport-sized photos are mandatory for visa on arrival.

1. GENERAL INFORMATION

The Department of immigration is located at Bhrikutimandap, Kathmandu and has nine branch offices at different locations in the country.

Tel : 977-1-4223590/4222453/4223681

Fax : 977-1-4223127, Email:immigration@most.gov.np

2. ENTRY/EXIT POINTS IN NEPAL

The following entry and exit points are prescribed for the purpose of the foreigners entering into and departing from the Nepal. Deviation from these points at the time of entry or exit shall be treated as violation of immigration rules.

- I. Tribhuvan international Airport, Kathmandu
- Ii. Kakarvitta, Jhapa (Eastern Nepal)

- iii. Birgunj, Parsa (Central Nepal)
- Iv. Kodari, Sindhupalchowk (Northen Border)
- V. Belahia, Bhairahawa (Rupandehi, Western Nepal)
- Vi. Jamunaha, Nepalgunj (Banke, Mid Western Nepal)
- Vii. Mohana, Dhangadhi (Kailali, Far Western Nepal)
- Viii. Gadda Chauki, Mahendranagar (Kanchanpur, Far Western Nepal)

CUSTOMS AND AIRPORTS

Green Channels:

Passengers arriving at Tribhuvan international Airport (TIA) without any dutiable goods can proceed through the Green Channel for quick clearance without a baggage check. If you are carrying dutiable articles, you have to pass through the Red Channels for detailed customs clearance.

Import:

Apart from used personal belonging, visitors are allowed to bring to Nepal free of Duty cigarette (200) or cigars (50), distilled liquor (one 1.5 litter bottle), and thin film (15 rolls). You can also bring in the following articles free of duty on condition that you take them out with you when you leave: binoculars, movie or video camera, still, laptop computer, and portable music system.

Export:

It is illegal to export objects over 100 years old (sacred images, painting manuscripts) that are valued for culture and religious reasons. Visitors are advised not to purchase such as they are Nepal's cultural heritage and belong here. The department of archaeology (tel. 421701, 4213702) at Ramshaha path near Singha Durbar has to certify all mental statues, screed painting and similar objects before they are allowed to be sent or carried out of country. Handicraft dealers and freight forwarder/cargo agents are able to assist you in this process. For more information on customs matters, contact the chief customs administrator, TIA customs office; Tel 4470110, 4472266.

Selected Export Products:-

1. *READYMADE GARMENTS:*

The readymade garment industry is one of the major product sectors which has great contribution to the Nepalese economy. Readymade garments sector has grown as largest export item of foreign exchange earning and also in contributing employment opportunities to large section of communities. The ready-made garments ranging from the loom fabrics to mill fabrics are made & exported as per buyers order. No matter whether they are traditional or fashion wears. Coats, Jackets, Jumbers, Jump suits, shirts and blouses, skirts and trousers, slacks and shorts, quilted jackets & waistcoats etc. made from cotton or rayon are the main categories exported from Nepal. The major export markets of Nepalese garments are USA, Canada, Germany, France, Netherlands, UK, Switzerland, Spain, Itly, Australia, etc.

2. *WOOLLEN CARPETS:*

The art of woollen carpet weaving based on traditional skill is found to have prevailed particularly in the Himalayan belt of the country. In 1959 about 15000 Tibetan refugees fled their country and came to Nepal Since woollen carpet had been an indigenous handicraft of Tibet, it was thought this tradition could be continued in Nepal.

Handmade woollen carpet is an art guided by culture, religion, tradition and environment of the country. Since Nepal is a country with century old history, tradition, culture, religion and crafts, it can be strongly believed that the technology of carpet weaving should have been there for centuries as a traditional occupation.

Nepalese handmade woollen carpets stand for quality and excellent image, recognition and importance both at home and abroad. The original Nepalese carpets are characterized by exclusive design and elegant colour matching to international market needs.

Made with high quality wool imported from New Zealand and Tibet Autonomous Region of P.R. of China, carpet are customized in different sizes and knots which range from standard 60 knots to 200 knots per sq inch. Special carpets are also made with 100% silk as well as silk blending. Exclusively introduced carpet based on hemp fibre is also well accepted by carpet connoisseurs.

Germany, USA, Austria, Netherlands, U.K. Switzerland, Spain, Belgium, Sweden, Korea, Russia are the major export markets for Nepalese carpets.

3. PASHMINA PRODUCTS:

“Pashmina” the Nepalese word for the highest quality of wool (generally 11-14 micron, long staple fiber), is an ultra fine and exceedingly soft wool or diamond fibre extracted from the body of the mountain goat “chyangra” scientifically known as “Capra Hircus”. This goat is native of the Himalayan belt, 10,000 ft. above sea level. The existence of this nature’s wonder species is very harsh with extremely cold climate and scarce vegetation. Blessed with very thin, short and the softest wool found in the nature, it has an exotically silky texture, which, when wearing it next to the skin, provides a uniquely titillating experience which has been described as sensual sublimely by our ancestors.

Pashmina, the finest fibre, has been popular for centuries among royalty and other elites as the most luxurious wool in the world with development of the product in the regions of Nepal where people have recognized of its special qualities for centuries. The incredible softness of the pashmina created unique and superior products on the minds of the people and demand for it began to increase worldwide. This glorious fibre has been prized for its warmth, lightness and durability. For delicacy, softness, lightness and warmth, no other fibre can match with pashmina. It is surprising that pashmina has been successful in establishing its unique image and special place among fashion wear throughout the planet.

The main export product made from pashmina are shawls, stoles, mufflers, scarves, blankets & readymade garments which are woven on a warp of cotton, the preferred composition of pashmina shawl eventually changed to cashmere and silk, because of superior pliancy and sheen and thus, the “pashmina” shawl was born. Varieties of new products fashion wear such as sweaters, night suits, room slippers, set to matching bag, hat, embroidery and shaded multi-colour combination, different self patterned shawl, baby blankets design are of other special products of pashmina and silk composed of 70-60%, 80-20%, 60-40% and 50-50%.

4. LEATHER AND LEATHER PRODUCTS:

Leather is one of the major exportable items in the basket of the Nepalese exportable products. Most of the leather goods are based on the leather processed in the form of wet blue, chrome tanned, chrome crust and chrome full finished in the country. Leather products include buffalo hides and goatskins.

For the last few decades Nepal has been producing and exporting a wide variety of leather goods both of modern and traditional designs in different sizes and color such as fashion shoes and boots, jackets, vests, trousers, skirts and other garments, travel bags, camera bags, wallets, purses, money bags, belts, industrial gloves and aprons, folders, picture frames, key holders etc. Nepalese leather products have distinct touch giving each item its export appeal and durability. Design and making are tailored to the buyers’ requirement, as the leather goods possess high export potentiality and ample scope of value addition.

USA, Japan, Pakistan, Italy, Netherlands, Switzerland, Brazil, U.K., Spain, Taiwan, Singapore, Hong Kong are the major export markets for Nepalese leather and leather products.

5. PULSES:

Lentil as major exportable agricultural product has been regular sources of foreign exchange earnings for Nepal, Nepal exports both whole & split lentils. Lentils are grown in terai, inner terai and mind hills of the

country. The cultivation of lentil has been increasing because of its promising consumption potentiality at home and abroad. Among other pulses, Nepalese lentils have greater demand in the international Market.

6. *HANDICRAFTS:*

Handicraft is an important sector, which has played a very significant role in the country's economy not only in providing employment to a vast segment of craftsmen in Kathmandu valley and other regions but also in terms of generating substantial foreign exchange for the country.

In the last 25 years, export of handicrafts of the country has significantly grown and encouragingly diversified to more than 50 countries. Nepal's handicraft presents its unique image and identification in international arena. It also help in the conservation of national traditional and heritage of the country.

Handicrafts produced in Nepal could be categorized mainly as:

a. Traditional/conventional handicrafts include the products such as metal statues, ethnic costumes, traditional silver and gold jewelleries, ceramic products, wood carving, religious and ritual objects, handloom products, handmade Nepalese paper, stone sculptures, metal utensil, Paubha (Thanks) painting, filigree products etc.

b. Contemporary/Modern handicrafts are home furnishing materials, flooer coverings, modern paintings, pashmina products, puzzle toys macramé's (knot crafts), leather products, gift wares, decorative items, crazy hats, natural buttons made of bone and horns of domestic animals.

USA, UK, Germany, franch Nethelands, Taiwan, Singapore, Japan, Hong Kong, Canada, Italy, Australia are the major markets for these products.

7. *GOLD JEWELLERIES:*

Nepal is a country of multi culture and religion, with diversified geographical landscape and holds its dignity to be rich in social, natural beauty and cultural aspects. Nepal has been renowned for years as a common garden for diversified indigenous arts and people. Nepalese people have their own peculiar art and cultural heritage with different rights and rituals from birth to death. Nepalese people are very fond of different varieties of golden ornaments and jewelleries, Nepalese women prefer to wear varieties of golden ornaments and jewelleries on the different occasion to display one identity and social status, whereas men used to wear few ornaments and jewelleries that consist to religious, tantrism and horoscope values. Nepalese artists and artisans have got expertise in their traditional art from the ancient time and have passed this experience from generation to generation. These all-traditional as well as modern combined design, Nepalese people consider gold jewelleries as the safe deposit and preservation of the property. Hence, a common proverb vrevails in Nepal for gold like "a personal insurance, little delights to sunny days and a treasure to rainy days."

8. *SILVER JEWELLERIES:*

The silver jewellery reflects traditional art, art-craft and special skill almost inherited from generation to generation in Nepal. Every craft-man has his own style & workmanship. However, the arrival of foreign tourist has provided vigorous impetus for blending the traditional heritage with modern foregn market taste. Traditionally Shakya and Sunar families worked on exquisite pieces of ornament. The filigree and joili cutting have made Nepalese silver jewelleries unique. The hand made production process has made it possible to spread in onto rural areas benefiting the rural mass. With the experience of two decades of export, nowadays production process has made it possible to spread in onto rural areas benefiting the rural mass. With the experience of two decades of export, nowadays Nepalese silver jewelleries are found in traditional, modern/traditional or modern design. Some of the poular silver jewelleries include earring, ring, baracelet, pendat, bangles and brooches made of minimum 92.5 per cent purity silver with/without semi-precious stones.

Silver jewellery is another prominent export item of Nepal, made mostly by hands of skilled craftsman reflecting the traditional arts and culture. Unique sets and varieties of earrings, necklace, bracelets, brooches, pendants, payels, kalli, phuli etc. are popular items of Nepalese Jewellery that are made of silver.

The Major export markets of Nepalese silver jewellerys are USA. UK. Canada, Denmark, France, Germany, Italy, Japan, Saudi Arabia, Brazil etc.

9. WOOD CARVING:

Nepalese wood carving, the most renowned craft reflects Nepalese architecture, art and culture. Today it has been expanded to small decorative handicraft gift like picture frame, rack with hangers, wooden ties, small boxes, animals, buttons, furniture, decorative wall hanging etc from the limited items temples, wooden panels and windows.

10. SPICES:

Variety of spice is traditionally grown in Nepal. Nepal offers numbers of spices such as dry and fresh ginger, large cardamon, turmeric; cinnamon both leaf and barks, chilies etc. Spices are famous for flavorings the delicious food. Mostly spices are used in domestic culinary purposes as well as in the food industry. It is also widely used in medicines and bakeries. Spices are the major export product of Nepal. India has been traditional market for Nepalese spices.

Nepalese spices are exported to India, Pakistan, Singapore Germany and Taiwan etc.

11. FLORICULTURAL PRODUCTS:

Floricultural product has been the emerging export product of Nepal. Nepal's varied climatic nature and soil type offers a wide potentially for cultivation of all type of floricultural plants all over the year. Besides other hundreds of varieties of flowers, 90 genera and 350 species of orchid are available in Nepal. Nepal is exporting cut flower, flower bulbs and seeds; the major export markets are India, Japan, Pakistan, Qatar etc. There are great potentialities for the expansion of export of floriculture of floriculture products from Nepal.

12. MEDICINAL HERBS AND ESSENTIAL OILS:

Nepal is well known in the world for its precious herbs which are produced at varying altitudinal regimes of the country as a major source of foreign exchange where Nepal has competitive advantage with promising future to boost the national economy and baring the cash in the remotes parts of the country where these herbs and found.

Collection of herb in Nepal is almost an everyday chorus. The knowledge of the healing properties of different herbs has benefited widely human community-Vidyas and the Ayurvedic doctors who have been processing and prescribing different herb-based medicines for generation to generation all over the country. Herbs can be a major source earning foreign exchange where Nepal has competitive advantage.

Growing popularity of Ayurvedic and herbal medicines has increased demand for herbs and herbal products from the developed countries due to the increased awareness about the side affects of modern medicine and chemical cosmetics. Nepalese medicinal herbs and essential oils are good for export from Nepal. The essential oils extracted from different medicinal plants are widely used as raw material for producing various consumer products such as cosmetic, perfumery, medicines etc. Various plant based essential oils are produced and exported from Nepal. Citronella oil Palmarosa oil, Sugandhakokila, Lemon grass oil, lichern extract are some prominent essential oil and extract, which are commonly produced.

The major export markets for these products are Germany, Japan, Pakistan, Italy, France, USA, UAE, U.K. Switzerland, Sweden, and Australia etc.

13. TEA AND COFFEE:

The history of tea cultivation in Nepal dates back to 130 year ago when it was first started in the eastern hills of Nepal adjoining to Darjeeling hills, Private individuals who had cultivated tea bushes for their household consumption made the early efforts in tea cultivation. Tea cultivation has been taken as a commercial enterprise after establishment of the Nepal Tea Development Corporation in 1967. In 1985 the government declared the eastern districts of Jhapa, Illam, Panchthar, Terhathum and Dhankuta, a 'tea zone' (except Jhapa, all 'tea zone' situated in the hills). The far eastern mountain Illam and Kanyam are famous for flavors orthodox tea whereas the lowland plain areas of eastern Nepal is popular for CTC tea.

Tea bushes typically produce “Flushes: or growth of tealeaves that are harvested many times a year in Nepal. Each flush produced has its own distinct following character suitable for different preferences, and different times of the day.

- Spring flush: The cropping season begins from late February to mid-April following the first light showers after winter. These are springtime teas. The young leaves yield a light tea, which has a light golden colour and a delicate aroma.
- Summer Flush: The second flush is gathered during May and June. These teas are more fully constructed than the first flush varieties. The liquor is bright, the taste full and mellow with a fruity note.
- Monsoon Flush: The monsoon reaches the eastern part of Nepal by June end and continues till the end of September. The teas produced during this period contain a lot of moisture and are of standard quality. They have more colours and are stronger. While the spring and Monsoon flush are afternoon teas, the monsoon flush is a morning.
- Autumn Flush: October yields another batch of vintage teas known as the Autumnal. The Autumnal features extraordinary combinations of Muscat flavour, rich aroma and lingering lemon to amber with the season. They can be drunk in the morning with milk.

The major export markets of Nepalese tea are Germany, Japan, France, Italy, Hong Kong, U.K., Switzerland, Australia, Netherlands, USA. The medicated and herbal tea of Nepal have been very popular in these markets.

Along with the tea, coffee is also emerging as a potential export product of Nepal. Coffee is cultivated in some pocket area of middle part of Nepal such as Gulmi, Palpa, Syanja, Lalitpur and Kavre district. Conducive agro climatic environment for coffee has encouraged the farmers in cultivation of coffee. It can be cultivated in barren and steep lands. It is high valued commercial crops having promising market potentialities at home and abroad. There is good demand for Nepalese coffee in overseas market as people prefer roasted coffee beans rather than the instant one.

Japan and Netherlands are existing export markets for Nepalese coffee.

14. HONEY

Honey is emerging as highly potential export product of Nepal. It has growing export markets, as honey is being used for food industry and in pharmaceutical sector. The cosmetic manufacturers are also using it as ingredients for soaps and shampoo. The hill mountain natural honey of Nepal is very famous for its exotic taste.

The major export market of honey is U.K. Republic of Korea, Germany, Japan, Hon Kong, Poland etc.

15. NEPALESE PAPER AND PAPER PRODUCTS:

The Lokta paper although different, is also popularly known as rice paper. It is handmade traditionally from time immemorial in Nepal from the bark of Daphne cannabina or daphne papyacea called “Lokta.” Which is found at altitude of 6500 feet to 9500 feet. The Lokta has characteristics of regenerating again after 6 to 8 years of cutting thus, under controlled management it preserves the fragile forest ecology of Nepal.

Nepalese paper and paper products are very famous in the overseas market. Nepalese paper made from ‘Lokta’ or Dayshing (Daphne cannabina) plants has its own unique feature, which has a tearing strength. In addition Lokta paper withstands insects and temperature extremes with exceptionally durable and resistant to moths and milde. Therefore from the very olden days the Lokta paper is used to preserve the oldest available manuscripts of Hindu and Buddhist texts. It is a tradition in Nepal to preserve the value things in Lokta paper as such all legal documents and property ownership documents are registered in Lotka paper.

Beside Nepalese paper, its used have also extended beyond sacred and legal manuscripts to calendar, kites, wood block prints, masks, stationery, notebooks, gift wrappers, bags, envelopes greetings cards, gift wrap, lamshades etc. and as printing material for books and other publications.

The major markets are USA, Japan, Canada and European countries.

16. MUSHROOMS

Mushrooms are micro-scopic fungi devoid of chlorophyll. In Nepal widevariety of mushrooms are found in the forests. They have been utilized as a natural source of nourishing food for human being from time immemorial. All mushrooms may look tempting and attractive, but not all of them are edible. There are many poisonous mushrooms. However, the following few species have a high demand from abroad.

- a. Boletus edulis (Cep, or Bolete)
- b. Cantharellus cibarius (Chantharelle)
- c. Cordyceps sinensis (Yarsa gumba in Nepali)
- d. Ganoderm lucidum
- e. Morchella conica (Morel)
- f. Tricholoma matsutake (Matsutke)
- g. Tricholoma matsutake (Matutke)

In Addition, there are some mushroom which are cultivated in Nepal:

- a. Agaricu bisporus (Button type)
 - b. Lentinus edodes (Shiitake)
 - c. Pleurotus sajor-caju (Oyster)
- Volvariella volvaceae (Straw mushroom)

Statistics :-

BALANCE OF TRADE WITH INDIVIDUAL COUNTRIES IN F.Y. 2005/06				
S.N.	Countries	Exports Value (Rs.)	Imports Value (Rs.)	Balance (Rs.)
	Grand Total	18,277,759,101	48,086,833,230	-29,809,074,129
	Asia	2,217,162,958	31,454,587,302	-29,237,424,344
1	Bangladesh	234,322,567	104,645,631	129,676,936
2	Bhutan	238,275,423	127,300,865	110,974,558
3	Brunei	7,556,527	5,963,741	1,592,786
4	Burma	-	17,768,721	-17,768,721
5	Baharain	2,299,849	62,451,696	-60,151,847
6	China P. R.	108,168,395	6,635,506,868	-6,527,338,473
7	Hongkong	111,755,525	930,930,260	-819,174,735
8	Indonesia	3,204,927	5,647,779,702	-5,644,574,775
9	Iran	4,482,666	284,223,566	-279,740,900
10	Iraq	-	29,291	-29,291
11	Israel	4,117,238	64,049,436	-59,932,198
12	Japan	572,093,609	1,935,081,744	-1,362,988,135
13	Jordan	-	7,212,661	-7,212,661
14	Korea R	25,515,240	1,788,881,875	-1,763,366,635
15	Kuwait	1,732,720	19,415,275	-17,682,555
16	Lebanon	291,130	130,750	160,380
17	Malaysia	35,573,522	2,474,660,956	-2,439,087,434

18	Mangolia	272,125	25,066,346	-24,794,221
19	Maldives	47,212	44,928	2,284
20	Oman	735,355	17,741,370	-17,006,015
21	Pakistan	186,228,206	191,380,060	-5,151,854
22	Philippines	36,431,828	147,141,518	-110,709,690
23	Qatar	12,623,278	482,332,654	-469,709,376
24	Saudi Arabia	7,744,552	2,329,692,066	-2,321,947,514
25	Singapore	322,552,229	3,375,218,975	-3,052,666,746
26	Sri Lanka	2,206,527	52,019,197	-49,812,670
27	Taiwan	70,317,893	567,911,536	-497,593,643
28	Thailand	40,416,349	2,602,072,414	-2,561,656,065
29	U.A.E.	164,704,021	1,095,681,450	-930,977,429
30	Yemen	-	11,595,721	-11,595,721
31	Vietnam	1,458,312	318,639,823	-317,181,511
32	Cambodia	4,483,536	29,941	4,453,595
33	Syria	1,366,087	-	1,366,087
34	Laos	195,238	-	195,238
35	Tajikistan	-	217,101	-217,101
36	Korea D.P.R	15,187,959	130,172,161	-114,984,202
37	Afghanistan	457,002	221,399	235,603
38	Azerbaijan	326,837	1,375,604	-1,048,767
39	Macau	19,074	-	19,074
	Africa	108,488,384	285,968,052	-177,479,668
1	Egypt	942,008	165,334,979	-164,392,971
2	Ethiopia	36,725	-	36,725
3	Kenya	11,033	813,740	-802,707
4	Mauritius	79,903,557	433,640	79,469,917
5	South Africa	16,245,324	25,509,689	-9,264,365
6	Zambia	10,710	1,413,962	-1,403,252
7	Morocco	64,113	-	64,113
8	Tanzania	10,959	-	10,959
9	Somalia	2,234,127	-	2,234,127
10	Mozambique	-	10,200	-10,200
11	Sudan	23,161	4,477,099	-4,453,938
12	Madagascar	73,288	-	73,288
13	Ghana	24,292	-	24,292
14	Nigeria	-	25,598,398	-25,598,398
15	Tunusia	-	583,445	-583,445
16	Cameroon	-	3,594,105	-3,594,105
17	Congo	-	3,153	-3,153

18	Sierra Leone	3,477,406	5,755,648	-2,278,242
19	Benin	112,634	-	112,634
20	Eritrea	151,815	-	151,815
21	Gabon	312,712	1,342	311,370
22	Niger	125,518	-	125,518
23	Senegal	-	280,312	-280,312
24	Burundi	-	1,413,671	-1,413,671
25	Mali	-	3,134,148	-3,134,148
26	Namibia	-	760,557	-760,557
27	Niger	-	13,468	-13,468
28	Rwanda	-	51,528	-51,528
29	Swaziland	4,729,002	43,359,699	-38,630,697
30	Togo	-	30,238	-30,238
31	Zaire	-	19,646	-19,646
32	Sao Tome & Principe	-	3,375,385	-3,375,385
	America	7,711,441,249	5,019,890,379	2,691,550,870
1	Argentina	442,580	1,004,623,015	-1,004,180,435
2	Brazil	20,164,760	1,165,721,349	-1,145,556,589
3	Canada	644,632,723	715,124,753	-70,492,030
4	Chile	6,665,128	523,987	6,141,141
5	Colombia	539,294	-	539,294
6	Bermuda	41,496	-	41,496
7	Mexico	26,850,552	804,425	26,046,127
8	Paraguay	89,775	-	89,775
9	U.S.A.	6,993,441,980	1,677,498,891	5,315,943,089
10	Venezuela	175,362	-	175,362
11	Peru	415,087	122,981,323	-122,566,236
12	Jamaica	-	319,247	-319,247
13	Guatemala	33,653	251,849,384	-251,815,731
14	Uruguay	124,122	-	124,122
15	Costarica	4,529,505	-	4,529,505
16	Bahamas	565,782	-	565,782
17	Dominican R	1,733,902	-	1,733,902
18	Antigua and Barbuda	-	20,894,012	-20,894,012
19	Netherlands Antilles	-	3,034	-3,034
20	Aruba	-	20,179,216	-20,179,216
21	Belize	-	12,766,107	-12,766,107
22	Ecuador	308,510	14,913,061	-14,604,551
23	Guadeloupe	-	1,008,653	-1,008,653
24	Honduras	-	11,193	-11,193

25	Haiti	-	171,129	-171,129
26	El Salvador	-	271,613	-271,613
27	British Virgin Islands	-	10,225,987	-10,225,987
28	Puerto Rico	1,381,324	-	1,381,324
29	Dominica	9,305,714	-	9,305,714
	E.U.	7,329,039,514	6,317,196,895	1,011,842,619
1	Austria	100,076,991	58,902,615	41,174,376
2	Belgium	308,860,984	240,225,094	68,635,890
3	Denmark	81,473,222	306,370,340	-224,897,118
4	Finland	22,405,265	69,539,879	-47,134,614
5	France	1,297,492,679	909,860,487	387,632,192
6	Germany	2,843,770,085	2,761,788,078	81,982,007
7	Greece	13,759,220	19,199,346	-5,440,126
8	Ireland	6,999,437	5,188,761	1,810,676
9	Italy	712,327,378	394,799,165	317,528,213
10	Luxembourg	1,334,376	5,311,784	-3,977,408
11	Netherlands	228,987,808	304,372,420	-75,384,612
12	Portugal	12,683,587	2,848,748	9,834,839
13	Spain	282,625,509	79,612,833	203,012,676
14	Sweden	97,564,701	85,525,489	12,039,212
15	U.K.	1,184,078,971	961,421,407	222,657,564
16	Cyprus	3,818,479	27,961,200	-24,142,721
17	Czech Republic	68,991,963	62,252,357	6,739,606
18	Estonia	522,885	-	522,885
19	Hungary	4,744,677	9,468,401	-4,723,724
20	Latvia	3,955,086	31,000	3,924,086
21	Lithuania	712,373	9,097,517	-8,385,144
22	Malta	123,739	901,491	-777,752
23	Poland	18,072,308	1,794,717	16,277,591
24	Slovakia	32,148,147	253,423	31,894,724
25	Slovenia	1,509,644	470,343	1,039,301
	Europe	728,393,592	2,567,145,243	-1,838,751,651
1	Bulgaria	1,454,715	20,488,165	-19,033,450
2	Croatia	10,162,146	383,579	9,778,567
3	Iceland	10,690,384	2,908,897	7,781,487
4	Norway	30,080,569	28,830,494	1,250,075
5	Russia	58,437,661	900,525,806	-842,088,145
6	Romania	19,254	-	19,254

7	Switzerland	317,667,998	490,840,142	-173,172,144
8	Turkey	278,088,432	480,931,453	-202,843,021
9	Ukraine	17,911,009	610,582,960	-592,671,951
10	Yugoslavia	1,738,478	8,113	1,730,365
11	Georgia	2,039,568	9,546,640	-7,507,072
12	Macedonia	10,908	15,614,968	-15,604,060
13	Faeroe Island	92,470	-	92,470
14	Andorra	-	372,118	-372,118
15	Isle of Man	-	6,111,908	-6,111,908
	Oceania	183,233,404	2,442,045,359	-2,258,811,955
1	Australia	154,072,232	1,415,338,526	-1,261,266,294
2	New Zealand	27,831,323	1,018,790,510	-990,959,187
3	Papua New Guinea	-	7,400	-7,400
4	Fiji	87,454	-	87,454
5	New Caledonia	768,474	-	768,474
6	Tokelau	-	198,425	-198,425
7	Nauru	265,135	976,511	-711,376
8	Vanuatu	163,350	5,746,804	-5,583,454
9	Marshall Island	10,814	-	10,814
10	Wake Island	34,622	-	34,622
11	Cocos Islands	-	987,183	-987,183

FOREIGN TRADE COMPOSITION OF NEPAL

Value in '000 Rs.

Direction	F.Y 2001/02	% in Total	F.Y 2002/03	% in Total	F.Y 2003/04	% in Total	F.Y 2004/05	% in Total	F.Y 2005/06*	% in Total
Exports										
India	27,956,200	59.0	26,430,000	52.8	30,777,100	57.1	38,916,900	66.6	41,012,600	68.3
Overseas	18,409,236	38.8	21,981,475	44.0	20,941,661	38.8	17,691,885	30.3	18,277,759	30.4
Tibet	1,021,352	2.2	1,599,647	3.2	2,230,653	4.1	1,835,036	3.1	784,415	1.3
Total	47,386,788	100.0	50,011,122	100.0	53,949,414	100.0	58,443,821	100.0	60,074,774	100.0
Imports										
India	56,622,100	52.1	70,924,200	55.3	78,739,500	58.0	88,675,500	59.8	109,305,900	67.1
Overseas	47,584,045	43.8	52,965,298	41.3	53,234,748	39.2	55,013,730	37.1	48,086,833	29.5
Tibet	4,428,656	4.1	4,338,636	3.4	3,866,087	2.8	4,604,999	3.1	5,447,991	3.4
Total	108,634,801	100.0	128,228,134	100.0	135,840,335	100.0	148,294,229	100.0	162,840,724	100.0
Trade Deficit										
India	28,665,900		44,494,200		47,962,400		49,758,600		68,293,300	
Overseas	29,174,809		30,983,823		32,293,087		37,321,845		29,809,074	
Tibet	3,407,304		2,738,989		1,635,434		2,769,963		4,663,576	
Total	61,248,013		78,217,012		81,890,921		89,850,408		102,765,950	

Note:- * Provisional

Source:- Trade and Export Promotion Centre & Nepal Rastra Bank.

Thank you !