



Federation of Asia-Pacific Aircargo Associations

47th Executive Council Meeting & Annual General Meeting 2021

June 29, 2021

COUNTRY & TRAINING REPORT – NEPAL

NEPAL FREIGHT FORWARDERS ASSOCIATION (NEFFA)

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Profile of Nepal Freight Forwarders Association

Nepal Freight Forwarders Association (NEFFA) is the National Association of Freight Forwarders from all over Nepal with major objectives of coordinate between various National & International Export & Import related government, donors and international agencies for facilitating trade. We work towards lowering the cost of logistics by providing service of internal supplies, facilitating compliance at the border and beyond the border. NEFFA was established in 1998 AD as non-political, nonprofit making, non-government association. NEFFA'S Mission is to facilitate international trade by delivering goods at destination in an efficient and most effective manner.

Services provided by NEFFA:

- Represent the freight forwarding community in national and international forums.
- Provide expert services to freight forwarders.
- Provide Neutral Airway Bill and Certificate of Origin.
- Coordinate and report the activities of NEFFA to concerned agencies and institutions.
- Establish relationship with similar national and international associations.
- Liaise with government and public sectors.
- Settle dispute and realize credit.
- Provide Airport and Land customs handling agent service.
- Collect and publicize data, statistics and news about freight forwarding industry.
- Provide its expertise to Government of Nepal on its policy and Acts related to Transport and International Business.

Members Profile:

As of June 22, 2021, NEFFA has a total 124 Members of which 118 are General Members & 6 are Associate Members.

National & International Affiliation

NEFFA had always prioritizing cordial relation with domestic and international government and non-governmental organization for the benefit of its member and Freight forwarding industry. NEFFA President is Ex officio Board member for Nepal Intermodal Transport Development Board which is a government organization to oversee the economical and efficient management of Inland Clearance Depots (ICDs) for facilitation of Nepal's foreign trade. NEFFA President is also a member in Nepal India Regional Trade & Transport Project (Ministry of Industry, Commerce & Supplies) and various policies and regulation related committees of Government of Nepal.

Trade Facilitations

NEFFA has collaborated with the Government of Nepal in providing technical support and advice in Trade facilitation and in the formulation of Multimodal Transportation Act, Carriage of Goods by Road Act, Railway Act, Marine Insurance and Logistics Policy. Nepal also made exporting and importing easier by implementing ASYCUDA World, an electronic data interchange system. Nepal has recently made progress in institutional reforms on several fronts. Different committees are working on the implementation of Single

window and trade facilitation measures are being taken. NEFFA is a part of different committees of trade facilitation in Government and Private Sector organization.

Profile of Executive Committee, 2021-2023

Sl.#.	Name	Designation	Company Representation	Role at Company
1	Mr. Manoj Adhikari	President	Legend Cargo Pvt. Ltd.	Managing Director
2	Mr. Prakash Singh Karki	I.P. President	World Freight International Pvt. Ltd.	Managing Director
3	Mr. Rajendra Sangraula	1st Vice President	Unique Freight International Pvt. Ltd.	Managing Director
4	Mr. Naresh Kumar Agrawal	2nd Vice President	Noble Logistics Nepal Pvt. Ltd.	Managing Director
5	Mr. Ashok Man Kapali	General Secretary	Shangri-La Freight Pvt. Ltd.	Managing Director
6	Mr. Hari Prasad Dhakal	Treasurer	Rising Star Cargo Pvt. Ltd.	Managing Director
7	Mr. Ishwar Bahadur Gurung	Secretary	Secure Freight International Pvt. Ltd.	Managing Director
8	Mr. Sujan Kumar Neupane	Joint Treasurer	Kantipur Freight Pvt. Ltd.	Managing Director
9	Mr. Pranil Man Singh Pradhan	E.C. Member	Everest Travel Service Pvt. Ltd.	Managing Director
10	Mr. Sanjeev Aryal	E.C. Member	M.S.I. Logistics Nepal Pvt. Ltd.	Managing Director
11	Mrs. Sita Adhikari	E.C. Member	Citizens Freight Pvt. Ltd.	Managing Director
12	Mr. Sahadev Banjara	E.C. Member	Delta Cargo Pvt. Ltd.	Managing Director
13	Mr. Manish Man Shrestha	E.C. Member	Namaste Travel Pvt. Ltd.	Managing Director
14	Mr. Gangaram Pudasaini	E.C. Member	Creative Cargo Care Pvt. Ltd.	Managing Director
15	Mr. Ganga Bahadur Raya	E.C. Member	Cargo World Pvt. Ltd.	Managing Director

NEFFA Sub Committees 2021-2023

- Advisory Committee
- Air Cargo Committee
- Land Sea Committee
- Dispute Settlement Committee
- Membership & Publication Committee
- International Relation & Capacity Enhancement Committee

National & International Membership:

- Federation of Nepalese Chambers of Commerce and Industry (FNCCI)
- Federation of Asia-Pacific Air Cargo Associations (FAPAA)
- International Federation of Customs Brokers Association (IFCBA)

NEFFA and Affiliation with Government and Private Sector:

- Ministry of Industry, Commerce & Supplies
- Ministry of Culture, Tourism & Civil Aviation
- Ministry of Physical Infrastructure & Transport
- Department of Customs
- Nepal Intermodal Transport Development Board
- Nepal Tourism Board
- Narcotic Control Bureau
- Civil Aviation Authority of Nepal (CAAN)
- United Nation Economic & Social Commission for Asia and The Pacific (UNESCAP)
- Asian Development Bank (ADB)
- World Bank Group

Logistic Industry in Nepal

Logistics services by sea has gained foothold in Nepal along with the liberalization of trade and economy particularly along the decade of 1990s. The concept of logistics services got prominence with the implementation of Nepal Multimodal Transit and Trade Facilitation Project in 1997. Three border facilities or the Inland Clearances Depots (ICDs) were developed in major border customs of Birgunj, Biratnagar and Bhairahawa along with the improvement of link road in Birgunj. Logistics industry is gaining traction as government of Nepal stepped up in developing ICDs in other border posts like Kakarbhitta and Tatopani. Currently, such a facility is also being developed at Chobhar in Kathmandu valley. Customs reform and modernization program were launched along with the automation of the major customs and relevant acts, regulations and work processes were revised to accommodate the functioning of customs in new set up of the automation. The freight forwarders of Nepal were organized under the auspices of the Nepal Freight Forwarders Association (NEFFA) and various trainings and awareness programs were organized for enabling members to understand and know the processes and new technicalities related with international movement.

Business opportunities in Nepal

Nepal is a country that is witnessing a fast-paced development in recent times. Driven by the long-awaited political transformation, the country is currently riding high on development agendas inspired by the recent progress it has seen in various fields. In the process, the country is investing in development at the local level and is welcoming stakeholders from across the world to tap its untapped potential in various field. Nepal is the second largest country in water resources and rich in natural beauty. There is lots of business opportunity in Hydro Electricity, Tourism, infrastructure development & herbal products manufacturing etc. The FDI friendly policy is in place.

Training Report

Nepal Freight Forwarders Association (NEFFA) is conducting "International Air Transport Association (IATA) certified Dangerous Goods Handling Training" every year in affiliation with the Civil Aviation Authority of Nepal from 2017. The Members of the Association with the representative from National Flag Carrier, Nepal Airlines Corporation, logistics related Government agencies, Nepal Armed Police Force had participated on the training program. Total 36 participants have been successfully completed the training session till date. The participants had possessed strong skills and required qualities to handle dangerous goods after the training.

Foreign Trade Direction (Based on First Ten Months - Mid July 2020 to Mid May 2021)

SN	Trade Indicators	First 10 Months (July 2019-May2020)	First 10 Months (July 2020-May2021)	Change (%)
1	Imports (Rs.in `000)	1,025,137,783	1,254,110,179	22.34
2	Exports (Rs.in `000)	82,064,769	108,479,756	32.19
3	Trade Deficit (Rs.in `000)	943,073,013	1,145,630,423	21.48
4	Total Foreign Trade (Rs.in `000)	1,107,202,552	1,362,589,935	23.07
5	Imports/Exports Ratio	12.49	11.56	-7.45
6	Exports Share to Total Trade (%)	7.41	7.96	7.41
7	Imports Share to Total Trade (%)	92.59	92.04	-0.59

Source: Department of Customs, Government of Nepal

Major Trading Partners of Nepal (Based on First Ten Months - Mid July 2020 to Mid May 2021)

Export				In Billion Rs.
SN	Countries/Region	First 10 Months (July 2019-May2020)	First 10 Months (July 2020-May2021)	Change (%) in value
1	India	58.41	79.33	35.8
2	United States	7.82	11.35	45.0
3	Germany	2.30	2.72	18.2
4	United Kingdom	1.77	2.08	17.3
5	Turkey	1.89	1.18	-37.9
6	France	0.92	1.12	21.7
7	Australia	0.49	0.94	91.9
8	China	1.10	0.90	-18.4
9	Japan	0.75	0.87	16.9
10	Canada	0.55	0.75	37.2
11	Italy	0.58	0.65	13.7
12	Bhutan	0.12	0.61	412.2
13	Bangladesh	0.89	0.55	-37.9
14	Netherlands	0.30	0.51	72.2
15	Others	4.16	4.92	18.1
Grand Total		82.06	108.48	32.2

Source: Trade & Export Promotion Center, Government of Nepal

Major Trading Partners of Nepal (Based on First Ten Months - Mid July 2020 to Mid May 2021)

Import

In Billion Rs.

SN	Countries/Region	First 10 Months (July 2019-May2020)	First 10 Months (July 2020-May2021)	Change (%) in value
1	India	628.46	815.63	29.8
2	China	156.29	183.19	17.2
3	United Arab Emirates	17.04	30.56	79.4
4	Argentina	12.07	30.43	152.2
5	United States	19.45	15.08	-22.5
6	Indonesia	28.30	13.41	-52.6
7	Ukraine	8.57	13.16	53.5
8	Canada	12.64	12.77	1.0
9	Australia	4.34	12.63	191.0
10	Korea	7.66	10.54	37.6
11	South Africa	7.93	9.10	14.7
12	Malaysia	9.07	7.85	-13.5
13	Thailand	7.99	7.75	-3.0
14	Saudi Arabia	6.73	7.19	6.9
15	Others	98.60	84.82	-14.0
Grand Total		1,025.14	1,254.11	22.34

Source: Trade & Export Promotion Center, Government of Nepal

Effect of COVID 19 in Logistics Industry

As other industries, logistic sector also been directly affected by the COVID-19 pandemic. Due to increase in the corona virus, Government of Nepal issued the lockdown order, prohibitory order and suspended all the International/Domestic flight along with land transportation. Government has responded to the crisis with temporary embargoes and export restriction for the sensitive cargo as medical supplies and pharmaceuticals. Government also allowed limited flight with Passenger/Chartered/Cargo Chartered/Rescue/Repatriation Flight. Due to the pandemic logistics industry worse affected resulting in financial crises, high freight charges, impact on competitiveness, long transit time and employment issues. Even in this crucial period of pandemic, Members of NEFFA worked hard to provide and maintain smooth flow of supply chain following all the safety measures as instructed by Government.

NEPAL CARGO DAY

Nepal Freight Forwarders Association is celebrating 29th July as “**CARGO DAY**” an annual event for the Freight Forwarders fraternity. Representative from different Ministries of Nepal, high level government officials, national and international participation from organizations related to tourism, export, import, business, stakeholders from logistics sectors & freight forwarding industry participate in this event. But due to effect of COVID 19, we are unable to organize this annual program from 2020.

The logistics industry consists of a vast network of contacts, organization and technology. All the members of FAPAA have to support each other's and share the information's, latest updates on rules & regulations among members to overcome this pandemic.

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