

**NEPAL FREIGHT FORWARDERS ASSOCIATION**

नेपाल फ्रेट फरवार्डर्स एसोसिएसन



**COUNTRY/TRAINING REPORT**

FEDERATION OF ASIA PACIFIC AIRCARGO ASSOCIATIONS

**51<sup>ST</sup> EXECUTIVE COUNCIL MEETING**

Philippine Multimodal Transport & Logistics Association Inc.

Manila, Philippines, June 1-3, 2025



## COUNTRY/TRAINING REPORT



### Profile of Nepal Freight Forwarders Association

Nepal Freight Forwarders Association - NEFFA was established in 1998 AD as non-political, non-profit making, non-government association which is a NATIONAL ASSOCIATION of the transport logistic service providers of Nepal. NEFFA is representing freight forwarders across the country. The association serves as a vital link between businesses commodities, customs, government agencies and international trade partners. By advocating for policies that promote efficient freight movement, the association helps streamline supply chains, reduce costs and enhance the competitiveness of the nation's industries in the global market. Moreover, it provides valuable resources, training and networking opportunities to its members, enabling them to get information of industry trends, regulations and best practices. Through its collaborative efforts, the Nepal Freight Forwarders Association contributes significantly to the smooth functioning of the logistics ecosystem, playing a critical role in facilitating international trade and facilitating economic growth.

#### Executive Committee - NEFFA:

Sl.#.	Name	Designation	Company Representation	Role at Company
1	Mr. Rajendra Sangraula	President	Unique Freight International Pvt. Ltd.	Director
2	Mr. Manoj Adhikari	President	Legend Cargo Pvt. Ltd.	Managing Director
3	Mr. Naresh Kumar Agrawal	Senior Vice President	Noble Logistics Nepal Pvt. Ltd.	Managing Director
4	Mr. Ashok Man Kapali	Vice President	GMK International Freight Pvt. Ltd.	Managing Director
5	Mr. Hari Prasad Dhakal	General Secretary	Rising Star Cargo Pvt. Ltd.	Managing Director
6	Mr. Ishwar Bahadur Gurung	Treasurer	Secure Freight International Pvt. Ltd.	Managing Director
7	Mr. Sujan Kumar Neupane	Secretary	Kantipur Freight Pvt. Ltd.	Managing Director
8	Mr. Sanjeev Aryal	Joint Treasurer	M.S.I. Logistics Nepal Pvt. Ltd.	Managing Director
9	Mr. Sahadev Banjara	E.C. Member	Delta Cargo Pvt. Ltd.	Managing Director
10	Mr. Manish Man Shrestha	E.C. Member	Namaste Travel Pvt. Ltd.	Managing Director
11	Mr. Gangaram Pudasaini	E.C. Member	Creative Cargo Care Pvt. Ltd.	Managing Director
12	Mr. Ganga Bahadur Raya	E.C. Member	Cargo World Pvt. Ltd.	Managing Director
13	Mr. Sanjeev Shakya	E.C. Member	Global Merchants & Logistics Pvt. Ltd.	Managing Director
14	Ms. Pranusha Karki	E.C. Member	Victoria Cargo Pvt. Ltd.	Managing Director
15	Mr. Rajesh Chandra Pradhananga	E.C. Member	Aero-Ship Logistics Nepal Pvt. Ltd.	Managing Director
16	Mr. Nirmal Paudel	E.C. Member	Sai Global Shipping Agency (Nepal) Pvt. Ltd.	Managing Director
17	Mrs. Sita Adhikari	E.C. Member	Citizens Freight Pvt. Ltd.	Managing Director

**Working Committee - NEFFA:**

Sl.#.	Committee	Chairperson
1	Advisory Committee	Mr. Prakash Singh Karki
2	Air Cargo Committee	Mr. Gangaram Pudasaini
3	Land Sea Committee	Mr. Nirmal Paudel
4	Dispute Settlement Committee	Mr. Sahadev Banjara
5	Membership & Publication Committee	Mr. Ganga Bahadur Raya
6	International Relation & Capacity Enhancement Committee	Mr. Manish Man Shrestha
7	Trade Information & Technology Committee	Mr. Sanjeev Shakya
8	Trade Research & Study Committee	Ms. Sita Adhikari

**Economic Overview of Nepal:**

Nepal is a landlocked country that heavily depends on India for transit trade, with key seaports being Kolkata and Visakhapatnam. Nepal's logistics industry faced various challenges such as insufficient infrastructure, difficult terrain, bureaucratic hurdles, and political instability. These factors often hindered the smooth movement of goods within the country and across its borders. However, efforts were being made to improve the situation. Initiatives such as infrastructure development projects, modernization of customs procedures and collaborations with neighbouring countries like India and China were underway to enhance the efficiency of logistics operations. The Nepal-India Transit Treaty governs trade movement, providing vital trade routes. China has emerged as an alternative trade route, with growing connectivity through border points such as Rasuwagadhi and Tatopani. Nepal has been actively participating in regional trade agreements, including SAFTA (South Asian Free Trade Area) and BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation).

Nepal's air cargo industry faced challenges primarily due to infrastructure limitations and regulatory constraints. Nepal's geography with its mountainous terrain and lack of sufficient transportation infrastructure, posed obstacles to efficient cargo movement. Additionally, the industry fighting with issues such as insufficient handling facilities at airports and complicated customs procedures leading to delays and increased costs. Despite these challenges, there were efforts to improve the situation, including infrastructure development projects and initiatives to streamline processes.

Same as, Cargo industry by land, sea and rail transportation also faces significant challenges due to the country's landlocked geography. Land transportation primarily reliant on roads encounters obstacles such as difficult terrain, limited infrastructure and inconsistent road quality, leading to inefficiencies and delays. The sea cargo industry relies on neighbouring countries' ports which is adding complexities and costs to logistics. Nepal's rail cargo infrastructure is still in developing stages with limited connectivity and capacity. Despite these challenges, efforts to improve infrastructure, enhance trade agreements with neighbouring countries and promote regional cooperation may offer opportunities for growth in Nepal's cargo industry but significant investments and policy reforms are needed to realize its full potential.

**Air Cargo Export Data in the Year of 2024 A.D.**

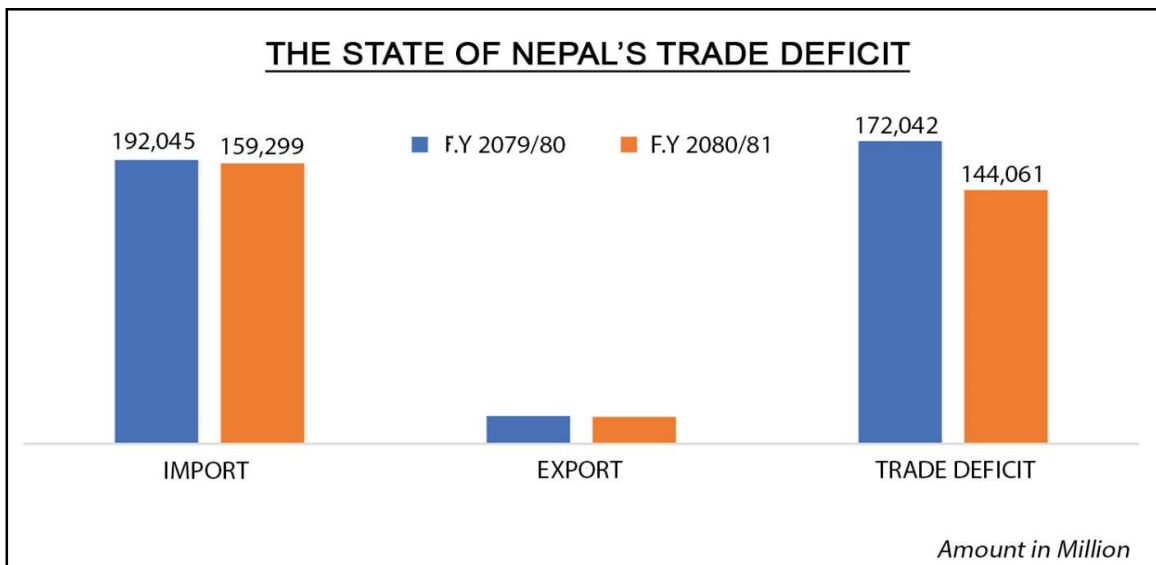
Month	Weight in K.G.
January	1076057.83
February	882325.70
March	1056129.90
April	1020057.68
May	1020493.02
June	1030808.98
July	1078478.46
August	534086.47
September	1514869.06
October	1845312.62
November	1057789.11
December	1223677.74
<b>Total Weight in K.G.</b>	<b>13340086.57</b>

Source: NEPAL TRANSIT AND WAREHOUSING CO LTD, TIA Branch Office

**Nepal Foreign Trade Statistics (Based on Nepali Fiscal Year: Mid July 2023 to Mid July 2024):**

Nepal's total foreign trade experienced a slight decline in the fiscal year 2080/81 compared to 2079/80. The total foreign trade, which was NPR 1.768 trillion 870 million in fiscal year 2079/80, contracted by 1.33% to NPR 1.745 trillion 370 million in fiscal year 2080/81. Imports, which amounted to NPR 1.611 trillion 730 million in fiscal year 2079/80, decreased to NPR 1.592 trillion 990 million in fiscal year 2080/81. Similarly, exports, which were NPR 157 billion 140 million in fiscal year 2079/80, contracted by 3.03% to NPR 152 billion 380 million in fiscal year 2080/81. The import-to-export ratio, which was 10.26 in fiscal year 2079/80, increased by 1.2% to 10.45 in fiscal year 2080/81.

Looking at the changes in imports and exports over the past five years, import values increased by 28.7% in fiscal year 2077/78 compared to the previous year, and by 24.7% in fiscal year 2078/79. However, there was a decline of 16.5% and 1.1% in fiscal years 2079/80 and 2080/81, respectively. Similarly, regarding exports, data from the past five years show an increase of 44.4% in fiscal year 2077/78 and 41.7% in fiscal year 2079/80. However, there was a decline of 22.4% and 3.0% in fiscal years 2079/80 and 2080/81, respectively. Nepal's major foreign trade partners are India and China for imports, and India and the United States for exports.



Data Source: DEPARTMENT OF CUSTOMS, GOVERNMENT OF NEPAL

**Foreign Trade Direction**  
Based on Annual data Mid July 2023 to Mid July 2024 (Nepali Fiscal Year 2080/81)

SN	Trade Indicators	Annual Data (Mid July 2022 to Mid July 2023)	Annual Data (Mid July 2023 to Mid July 2024)	Change (%)
1	Imports (Rs.in `000)	1,611,731,770	1,592,985,528	-1.16
2	Exports (Rs.in `000)	157,140,695	152,381,244	-3.03
3	Trade Deficit (Rs.in `000)	1,454,591,074	1,440,604,284	-0.96
4	Total Foreign Trade (Rs.in `000)	1,768,872,465	1,745,366,772	-1.33
5	Imports/Exports Ratio	10.26	10.45	1.92
6	Exports Share to Total Trade (%)	8.88	8.73	-1.72
7	Imports Share to Total Trade (%)	91.12	91.27	0.17

Data Source: DEPARTMENT OF CUSTOMS, GOVERNMENT OF NEPAL

**Challenges in Freight Forwarding:**

Freight forwarding in Nepal face significant hurdles due to the country's landlocked geography, resulting in heavy reliance on neighbouring India's ports and transit routes, which leads to increased transit times and costs. Compounding these issues are underdeveloped infrastructure, including limited and often poor road connectivity, insufficient alternative transport modes like railways and bureaucratic complexities within customs procedures, characterized by excessive paperwork and slow digitalization. Additionally, challenges such as inconsistent regulatory interpretations, risks of corruption and the need for improved coordination among various stakeholders further impede efficient trade operations, lack of skilled professionals and digitalization in the sector results in documentation errors and compliance issues increasing the risk of penalties and shipment delays. Some Major Challenges as highlighted below:

- **Infrastructure Deficiencies:** Nepal faces logistical bottlenecks due to underdeveloped transport infrastructure, causing delays and increased costs.
- **Bureaucratic and Regulatory Hurdles:** Complex customs procedures and frequent policy changes create inefficiencies in trade facilitation.
- **Digital Transformation Gaps:** While Nepal has introduced ASYCUDA World for digital customs processing, further digitalization is required for enhanced efficiency.
- **Limited Air Cargo Connectivity:** Nepal's air cargo capacity remains restricted, increasing dependency on land and sea freight.

Despite all challenges, Nepal's freight forwarding sector is evolving towards a more efficient and globally integrated trade environment. NEFFA remains committed to working with international partners including FAPAA to enhance trade facilitation, capacity building and digital transformation.

**Recent Developments and Initiatives:**

Recent developments in Nepal's freight forwarding sectors are focused on improving efficiency and streamlining processes. There's a growing emphasis on leveraging technology for customs clearance, documentation and tracking, with companies offering more comprehensive logistics solutions that include warehousing and multimodal transport. Efforts are also being made to enhance infrastructure, particularly at key entry points like the Birgunj Inland Container Depot and Tribhuvan International Airport to facilitate smoother movement of goods. Additionally, there's a push for greater compliance with international customs regulations and standards, aiming to boost Nepal's participation in global trade. Some Major details has been highlighted as below:

- **Modernization of Customs Operations:** Nepal has been upgrading customs points with automated systems to enhance clearance efficiency.
- **Improved Trade Infrastructure:** The development of inland clearance depots (ICDs) in locations such as Birgunj and Kathmandu has streamlined cargo handling.
- **Bilateral Trade Agreements:** Nepal is working on strengthening trade facilitation with India and China, along with exploring transit options through Bangladesh.
- **Sustainability Initiatives:** Efforts are being made to promote green logistics and reduce carbon emissions in freight transport.

#### **Opportunities for Collaboration:**

Opportunities for collaboration in Nepal's freight forwarding sector lie in digitalization, trade facilitation, and strategic partnerships. With Nepal's growing international trade, integrating technology like electronic data interchange (EDI) and blockchain can enhance efficiency. Partnering with logistics firms, airlines, and shipping lines can streamline operations and reduce costs. Additionally, collaboration with government agencies on policy advocacy and customs process simplifications can improve clearance times. Cross-border partnerships, especially with India and China, can optimize transit routes, while joint ventures with international freight networks can expand market reach and service quality. NEFFA seeks collaboration with international bodies like IFCBA for professional development in customs brokerage and freight forwarding and partnering with global stakeholders for digital transformation in logistics operations.

#### **Different steps carried out by NEFFA for trade facilitation:**

Nepal Freight Forwarders Association is doing various activities for facilitating trade of Nepal through a series of impactful seminars and meetings. These events serve as vital platforms for industry stakeholders to come together, exchange ideas and address challenges in the area of freight forwarding and logistics. From seminars focused on regulatory compliance and international trade laws to meetings delving into technological advancements and supply chain innovations, the association consistently trying to keep its members informed of the latest developments and best practices in the field. Moreover, these gatherings foster collaboration among freight forwarders, government agencies and other stakeholders ultimately enhancing efficiency and streamlining processes within the global trade landscape.

#### **Cargo Day:**

Nepal Freight Forwarder Association is celebrating **29<sup>th</sup> of July** as a National Cargo Day and successfully completed its 30<sup>th</sup> edition of Cargo Day at 2024. Representative from different Ministries of Nepal, high level government officials, national and international participation from organizations related to tourism, export, import, business and logistics sectors will participate in this event. The Main aim of this program is to explore the trade related issues to all concern and facilitate the trade. Different session on the development, promotion of the logistic sector, operational and policy related issues, identifying and way-out of the various factors hitting the industry etc will be carried out in the event and thru this program an initiative has been taken to facilitate the economic and commercial development of the nation by the bodies directly related to this sector.



## NEFFA as Training Centre

The Nepal Freight Forwarders Association (NEFFA) plays a significant role in the logistics sector of Nepal, especially through its efforts in providing training and enhancing professional standards. As a national organization, NEFFA is committed to advancing the capabilities of freight forwarders and logistics service providers. Association is providing different related education and training programs to its members, ensuring they are well-equipped with the knowledge and skills necessary to navigate complex international trade regulations. These initiatives often include workshops, seminars and certification programs focused on topics such as customs compliance, dangerous goods handling, documentation requirements and risk management. NEFFA actively engages in research and development efforts to identify emerging trends and technologies that can improve the efficiency and competitiveness of the freight forwarding industry. This may involve exploring innovations in areas such as skilled human resources, digitalization, automation, supply chain and trade facilitation. NEFFA also works to help in the development of national logistic master plans and works to improve the overall logistic infrastructure of Nepal. Basically, NEFFA functions as a crucial training center, empowering logistics professionals and driving the growth of the sector in Nepal.

### Seminar on the Awareness of Illicit Drugs Trafficking:

In collaboration with the Narcotics Control Bureau, NEFFA has organized an interaction program on drug risk control during import and export “Seminar on the Awareness of Illicit Drugs Trafficking” to provide information related to drug control to the employees of cargo companies and agencies directly related to this sector. Drug Control Bureau, Tribhuvan International Airport Customs Office, representatives of various associations related to import export, employees of cargo companies had participated in the program (No. of Participants: 176). This program has helped to conduct business and work in a safe practice.



### CBTA Based Dangerous Goods Handling Course:

Since 2017, the Nepal Freight Forwarders Association in collaboration with the Civil Aviation Authority of Nepal, has been consistently conducting IATA-based Dangerous Goods Handling training in Nepal. This training aims to enhance the professional development of freight forwarders, airline representatives and personnel from the Nepal Armed Police Force. To date, this initiative has successfully produced more than 50 skilled and certified Dangerous Goods (DG) license holders in the country. Currently, from March 17 onwards, the **DGR 7.3.A: Personnel Responsible for Processing or Accepting Dangerous Goods Consignment – Initial** training is being conducted in collaboration with YKG Aviation Academy, India. A total of 20 representatives from the logistics sector are actively participating in this training program.

