


COUNTRY REPORT OF NEPAL FREIGHT FORWARDERS ASSOCIATION



52nd

EXECUTIVE COUNCIL MEETING
FEDERATION OF ASIA PACIFIC
AIRCARGO ASSOCIATIONS

 **June 28-30, 2026**

 **Kathmandu Marriott Hotel**
Manakamana Marg, Naxal,
Kathmandu, Nepal, 44600



CONNECTING NEPAL TO THE WORLD
MOVING FORWARD TOGETHER



COUNTRY 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.

Economic Overview & Logistics Scenario of Nepal

Nepal's economy is characterized by a mixed but broadly stable macroeconomic environment, supported mainly by strong remittance inflows, rising foreign exchange reserves and a recovering financial sector while still facing deep structural challenges such as a widening trade deficit, import dependence and limited industrial productivity. Economic growth remains moderate with projections around the mid 2% to 5% range depending on political stability and investment momentum, reflecting a transitional phase following recent social and political disruptions. Inflation is relatively contained compared to global standards though it shows gradual upward pressure due to transport, food and service costs while liquidity in the banking system remains high and interest rates are easing. Nepal's external sector has strengthened significantly, with foreign exchange reserves reaching record levels enough to cover well over a year of imports mainly driven by remittances from migrant workers and improved financial inflows, even as imports continue to heavily outweigh exports.

As an economy inherently shaped by its landlocked, mountainous geography, Nepal relies immensely on air cargo and robust multimodal corridors to connect with global supply chains. As a landlocked country situated between India and China, Nepal's logistics system is heavily dependent on cross-border trade routes, making transport efficiency, customs processing and transit agreements critical to economic performance. Despite improvements in road connectivity, digital customs systems, and port access agreements through India, logistics costs remain high due to difficult terrain, limited rail infrastructure and reliance on a few external gateways. The trade deficit continues to widen because imports fuel, machinery, construction materials, and consumer goods far exceed export capacity, while export growth is still concentrated in a few low-value or semi-processed products such as edible oils, cardamom, tea and carpets. However, there is growing recognition that Nepal can position itself as a regional logistics corridor between India and China, leveraging transit trade, warehousing, hydropower exports, tourism and digital logistics services.

Overall, while Nepal's economic foundation is stabilizing, the logistics and trade sector remains the key bottleneck and at the same time, the biggest opportunity for long-term structural transformation if infrastructure investment and policy reforms accelerate.

Foreign Trade Indicators & Statistics (FY 2025/26)

According to the latest data released by the Department of Customs and the Trade and Export Promotion Centre (TEPC) for the first ten months of the current fiscal year 2025/26 (mid-July 2025 to mid-May 2026), Nepal's total foreign trade has expanded notably due to a parallel rebound in both consumption demand and agricultural/processed exports.

Foreign Trade Direction

Based on First 10 Months (Shrawan-Baishakh) of FY 2082/83 (Mid July 2025 to Mid May 2026)

SN	Trade Indicators	FY 2081/82 (First 10 Months)	FY 2082/83 (First 10 Months)	Change (%)
1	Imports (Rs.in `000)	1474188297	1692642640	14.82
2	Exports (Rs.in `000)	217911059	248962670	14.25
3	Trade Deficit (Rs.in `000)	1256277238	1443679970	14.92
4	Total Foreign Trade (Rs.in `000)	1692099357	1941605310	14.75
5	Imports/Exports Ratio	6.77	6.798780876	0.50
6	Exports Share to Total Trade (%)	12.88	12.82251695	-0.43
7	Imports Share to Total Trade (%)	87.12	87.17748305	0.06

Data Source: DEPARTMENT OF CUSTOMS, GOVERNMENT OF NEPAL

Trade Breakdown At-a-Glance

- **Total Foreign Trade:** Rs 1.94 trillion (A 14.75% year-on-year increase)
- **Total Merchandise Imports:** Rs 1.69 trillion (Up 14.82%)
- **Total Merchandise Exports:** Rs 248.96 billion (Up 14.25%)
- **Trade Deficit:** Rs 1.44 trillion (Widened by 14.92%)
- **Trade Structure Shares:** Imports dominate at **87.17%** of total volume; exports stand at **12.82%**.

Key Trade Commodities:

Top Export Drivers: Refined edible oils (specifically soybean and palm oil processing utilizing SAFTA duty-free windows), followed closely by high-value agricultural commodities like large cardamom, orthodox tea and ginger.

Top Import Drivers: Petroleum products (diesel, petrol, and LPG), followed heavily by industrial raw materials, machinery, and crude vegetable oils imported for local refining and re-export.

Macro Economic Cushion: While the merchandise trade imbalance persists, Nepal's balance of payments remains highly resilient. Gross foreign exchange reserves sit at an all-time high of over **\$23 billion USD**, sufficient to cover up to 18.5 months of imports, structurally backed by record-high remittance inflows.

Current State of Logistics in Nepal

Operating as a mountainous landlocked nation requires balancing multiple transit pathways. While over 95% of bulk maritime imports route via transit corridors from Indian ports (Kolkata, Haldia and Visakhapatnam), air cargo acts as the critical lifeline for Nepal's high value, time sensitive exports.

Multimodal Infrastructure Network

The country has systemically scaled up its dry ports and Inland Container Depots (ICDs) to decentralize customs clearing:

- **Birgunj & Bhairahawa ICDs:** Form the primary economic pipeline for containerized rail and road cargo originating from Indian ports.
- **Chobhar Dry Port (Kathmandu):** Fully operational, linking cross-border cargo trucks directly to the capital for domestic customs clearance.
- **Tatopani & Rasuwagadhi ICDs:** Serve as the primary northern gateways handling overland freight originating from China.

Strategic Air Cargo Landscape

Tribhuvan International Airport (TIA) in Kathmandu remains the ultimate focal point for international air freight. While Gautam Buddha International Airport (Bhairahawa) and Pokhara International Airport have expanded regional passenger footprints, the consolidation of air cargo services specifically for high end exports like hand knotted woollen carpets, pashmina, garments, and handicrafts remains highly concentrated at TIA. NEFFA is actively collaborating with the Airlines Operating Committee (AOC) and Nepal Airlines Corporation to streamline terminal handling constraints at TIA's cargo warehouse.

Air Cargo Export Data in the Year of 2025 A.D.

MONTH	WEIGHT IN KG
JANUARY	1346086.34
FEBRUARY	1178286.87
MARCH	865764.25
APRIL	1061611.58
MAY	1138690.69
JUNE	1307688.57
JULY	1366293.35
AUGUST	1458686.90
SEPTEMBER	1895989.50
OCTOBER	963793.80
NOVEMBER	1645287.61
DECEMBER	1493647.02
Total Weight in K.G.	15721826.47

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

Government Trade Facilitation & Logistics Reforms

To lower domestic logistics costs which historically hover around 25-30% of total product value the Government of Nepal has initiated deep rooted institutional changes in cooperation with international development banks:

SASEC Customs and Logistics Reforms Program: Backed by a \$50 million programmatic policy loan from the Asian Development Bank (ADB), the government is implementing Subprogram 1. This initiative directly updates regulatory frameworks, modernizes business processes, and aims to digitize the entire trade supply chain ecosystem.

National Trade Logistics Policy Implementation: Accelerating the rollout of the comprehensive policy frameworks created under the Trade Logistics Policy. This targets minimizing physical paperwork through the single-window system, decreasing prolonged border wait times, and addressing complex cross-border compliance.

Tax and Administrative Streamlining: Following direct joint representations from NEFFA and airline GSAs regarding ambiguities over Tax Deducted at Source (TDS) provisions on international freight payments, the Ministry of Finance has committed to resolving procedural overlaps to ensure predictable pricing models for forwarders.

Ongoing Logistics Challenges & NEFFA Agenda

Despite clear regulatory progress, the Asia-Pacific logistics community must cooperate to address remaining friction points within the corridor:

Core Focus Areas for 2026/2027:

High Transaction Costs: Redundant document verification and limited digital infrastructure keep regional shipping costs elevated.

Cold Chain Infrastructure Deficiencies: Nepal's growing agricultural export potential (such as fresh herbs, flowers, and fruits) is restricted by a lack of integrated cold-chain warehousing at border points and air hubs.

Capacity Building: NEFFA continues to run mandatory **Dangerous Goods Regulations (DGR) Training Programs** locally to ensure international compliance standards are strictly executed across all Nepali freight handlers.

NEFFA in Details

Members: NEFFA Members has been classified in two Different group, General Member & Associate Member. As of 2026 total 148 Freight Forwarding companies has been registered in NEFFA.

GENERAL MEMBERS

137

ASSOCIATE MEMBERS

11

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	I.P. 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

MAJOR EVENTS:

31st Nepal Cargo Day:

Nepal Freight Forwarder Association is celebrating **29th of July** as a National Cargo Day and successfully completed its 31st edition of Cargo Day at 2025 in collaboration with the Nepal Intermodal Transport Development Board at Hyatt Regency, Kathmandu. This flagship annual event, held for over three decades, has become a cornerstone of Nepal's logistics and freight forwarding sector, uniting stakeholders from government, industry, trade, and international organizations to deliberate on key issues, share insights, and promote the growth of Nepal's logistics industry in alignment with national economic priorities and global trade standards.

The 31st Cargo Day successfully brought together stakeholders from across the logistics and trade ecosystem to deliberate on pressing challenges, share innovative solutions and chart a path for Nepal's logistics transformation. The event reaffirmed NEFFA's role as a unifying platform for policy dialogue, industry collaboration and trade facilitation. At the event, the Nepal Freight Forwarders Association (NEFFA) officially awarded the **NEFFA ANNUAL AWARDS 2025**. The top three online carriers Qatar Airways, Nepal Airlines Corporation and Cathay Cargo were awarded first, second and third place respectively and Premier Trans Aire was recognized as the leading offline airline based on the highest volume of cargo uplift from Nepal in the year of 2024. Furthermore, Pristine Valley Dryport Pvt. Ltd. received the award for Best ICD Performer among all Inland Clearance Depots (ICDs) and Integrated Check Posts (ICPs) in Nepal. In the institutional categories, NEFFA honored Nepal Airlines Corporation within the Government/Private Sector category for its significant role in facilitating transit trade and supporting the domestic freight forwarding sector and Overseas Freight Pvt. Ltd. was presented with the NEFFA Annual Award 2025 within the Freight Forwarders Industry category, honoring their sustained dedication and impactful contributions to the growth, consolidation, and welfare of the industry.



Interaction Program:

“Logistics Development of Nepal & BBIN Connectivity” in collaboration with: Asian Development Bank (ADB) - Nepal Resident Mission

The program brought together key stakeholders from the government, private sector, and international organizations to discuss and identify solutions for the challenges and opportunities in Nepal's logistics sector with a specific focus on leveraging the Bangladesh, Bhutan, India, and Nepal (BBIN) Motor Vehicle Agreement (MVA). The

discussions highlighted the critical need for policy harmonization, infrastructure investment, digitalization, and strengthened public-private partnerships to enhance regional trade and transform Nepal into a "land-linked" nation.

The Main Objective of Interaction Program was focused on Nepal's logistics challenges and opportunities in the context of BBIN cooperation, identifying bottlenecks and challenges hindering efficient logistics and trade facilitation in Nepal, understanding and collaboration among government and private sector stakeholders., to identify policy and infrastructure interventions to streamline cross-border cargo movement and to strengthen public-private partnerships for logistics sector development.

The interaction program served as a vital platform for dialogue and collaboration, confirming that a concerted effort from all stakeholders is essential to overcome Nepal's logistics challenges. By implementing the BBIN MVA effectively, investing in strategic infrastructure, and embracing digital solutions, Nepal can significantly reduce trade costs, enhance its economic competitiveness, and realize its vision of a prosperous, land-linked future. The insights and recommendations from this program will provide a strong foundation for future policy decisions and collaborative initiatives.

VARIOUS INTERACTION PROGRAMS:

- Revision on Multimodal Transport of Goods Act, 2063 (2007)
- Revision on Multimodal Carriage of Goods Regulation , 2066
- Accreditation and grading frameworks for Logistics Service Providers (LSPs)
- PPP Policy Guidelines for Trade Logistics infrastructure
- National Logistics Policy

NEFFA as a Training Center - 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.

Looking Forward

NEFFA firmly believes that with the stabilization of our regulatory policies and the active rollout of the SASEC logistics program, Nepal is steadily transitioning from being "landlocked" to "land-linked." We invite our FAPAA partners to collaborate closely on inter-lining agreements, cold chain joint ventures and technology transfers to further integrate Nepal into the global aviation logistics grid.