



INAUGURAL SESSION

29th NEFFA Cargo Day

At the 29th NEFFA Cargo Day stakeholders from the trade community gave a clarion call for seamless movement of cargo and reduction of cost and time



“Nepal government has promulgated Trade Logistics Policy and very soon we will make a masterplan to implement the policy. We will address all the issues of logistics traders.

Digitization and cost reduction of the logistic sector will be the major issue of the logistic masterplan.

We are committed to build ICD, ICP and trade corridors (highways) with world class facilities.”

- **Madhu Kumar Marasini**
Secretary
Ministry of Industry, Commerce & Supplies



“There has been remarkable progress on infrastructure development. The Ministry of Finance is ready to collaborate with the private sector to build infrastructures and formulate legislation related to the logistics industry.”

- **Arjun Prasad Pokharel**
Finance Secretary
Ministry of Finance



L to R: **Mr Hem Raj Dhakal**, Vice President, FNCCI; **Mr Rajendra Malla**, President, Nepal Chamber of Commerce; **Mr Anjan Shrestha**, Senior Vice President, Federation of Nepalese Chamber of Commerce and Industries (FNCCI); **Mr Manoj Adhikari**, President, Nepal Freight Forwarders Association (NEFFA) & Chairman, 29th Cargo Day; Chief Guest **Mr Madhu Kumar Marasini**, Secretary, Ministry of Industry, Commerce & Supplies, Government of Nepal; Special Guest **Mr Arjun Prasad Pokharel**, Secretary, Ministry of Finance, Government of Nepal; **Mr Chandri Raj Dhakal**, Vice President, SAARC Chamber of Commerce and Industry; **Mr Rajesh Kumar Agrawal**, President, Confederation of Nepalese Industries; **Mr Rajendra Sangraula**, Sr Vice President, Nepal Freight Forwarders Association (NEFFA) & Coordinator 29th Cargo Day

The 29th NEFFA Cargo Day brought together stakeholders from government and private sector in India and Nepal. It was a confluence of minds wherein the freight forwarding and exporter community put forward the challenges they faced in movement of goods and these concerns were well addressed by officials from Customs, NEFFA and Indian ports serving Nepal cargo movement.

Chief Guest of the day, **Madhu Kumar Marasini, Secretary, Ministry of Industry, Commerce & Supplies**, detailed on the government's efforts to strengthen logistics ecosystem. He said, “A Trade Logistics Policy is being promulgated by the government. Very soon a master plan will be rolled out to implement the policy which focuses on digitisation and cost reduction. ICDs, ICPs and trade corridors (highways) of world class standards will

be developed. The logistic sector must be developed as an industry. Studies are being conducted on making utmost use of Indian Inland waterways and Trade and transit treaty between Nepal and China.”

Special Guest of the day, **Arjun Prasad Pokharel, Finance Secretary, Ministry of Finance** detailed on the progress in infrastructure development which will help to enhance the logistics industry. He added, “The Ministry of Finance is ready to collaborate with the private sector to build infrastructures and formulate legislation related to the logistics industry. Government is positive to develop the logistics sector as an national industry”.

Key panellists of the inaugural session included **Manoj Adhikari, President, NEFFA**, **Chandri**



Raj Dhakal, Vice President, SAARC Chamber of Commerce & Industry, **Anjan Shrestha**, Senior Vice President, FNCCI, **Rajesh Kumar Agrawal**, President, Confederation of Nepalese Industries, **Rajendra Malla**, President, Nepal Chamber of Commerce, **Hem Raj Dhakal**, Vice President, FNCCI and **Rajendra Sangraula**, Senior Vice President, NEFFA.

NEFFA Annual Awards were announced and the winners included:

- Mr. Hari Bahadur Shrestha, MD, Lumbini Air Freight Pvt. Ltd.
- Mr. Shova Kant Poudel, DG, Dept. of Customs
- Airlines carrying highest tonnage of export from Nepal:
 - Online Airlines
 - 1st - Qatar Airways
 - 2nd - Nepal Airlines
 - 3rd - Himalaya Airlines
 - Offline Airlines - Etihad Cargo

The way forward to seamless trade logistics

The panel discussion focussed on an array of topics including upcoming infrastructure, the logistics policy in Nepal, initiatives taken to reduce logistics time and cost both at ICPs in Nepal and at Indian ports serving Nepal trade.



L to R: **Mr Shyam Dahal**, Trade Expert; **Mr Hem Raj Dhakal**, Vice President, FNCCI; **Dr Paras Kharel**, Executive Director, SAWTEE; **Mr Harihar Poudel**, Director, Department of Customs; **Mr Aashish Gajurel**, Executive Director, NITDB; **Mr Eshor Raj Poudel**, Consul General, Consulate General of Nepal, Kolkata; **Mr Purusottam Ojha**, Trade Expert/Former Secretary, Government of Nepal; **Mr A K Mehra**, Deputy Chairperson, SMPK; **Mr Rajnish Kumar**, Director, Pristine Group of Companies; **Mr Rajan Sharma**, Past President, NEFFA

Narash Agrawal, Vice President, NEFFA, introduced the panellists and handed over the proceedings to **Rajan Sharma**, Past President, NEFFA.

The theme of interactive discussion was based on the slogan of 29th Cargo day, "National Logistics Excellence Devoted to Trade Facilitation"

Focusing on logistics issues, **Ashish Gajurel**, Executive Director, Nepal Intermodal Transport Development Board

said, the purpose of his organisation is to reduce the logistics cost and time for trade movement. He further added, the board develops, operates and manages dry ports and integrated check points. Currently there are 7 dry ports in operation in locations including Birgunj, Biratnagar, Bhairahawa and Kakarvitta. On the northern

side ICP is present in Tatopani. Out of these 7 dry ports, 6 are operated by the private sector under PPP. The Board has recently invited bids from the private sector for operating the Chobhar dry port.

The Nepal Intermodal Transport Development Board has done a feasibility study and DPR is being developed in Korala in the northern part, for development of dry port. The next project that is going to be built is the ICP at Dodhara Chandani through MoU with India. It will be just 300km away from Delhi. Feasibility study is also being done for another ICP at Bhitamora. In the next 18 months ICP at Bhairahawa will be ready. Cargo train operations have already started at Biratnagar and next they will be operational at Bhairahawa.

Purusottam Ojha, Trade Expert/Formal Secretary, Government of Nepal, discussed the role of trade

corridors and free trade zones for improving production and seamless movement of cargo. He said, it is necessary to increase the exports of the country, which calls for improving industrialisation. But the cost of land in Nepal is so high that it is not feasible for a private organisation to purchase land, establish an industry and operate it. Hence the development of industrial zones and SEZs is necessary. Currently, a SEZ is operational in Bhairahawa. The second SEZ will be coming up at Simara District, which is still under construction. It is also necessary to link the SEZs with ICPs to increase national exports. For instance, the SEZ being developed in Simara can benefit with direct rail connectivity to ICP in Birgunj.

Taking a look at trade movement through China he said, NEFFA has developed SOPs and INCOTERMS in the past for the benefit of trade. Nepal had signed the transit agreement with China in 2016, but seven

years have passed and not a single consignment has passed through the territory in China. Here NEFFA in collaboration with the government of China can initiate the process to ensure movement of cargo takes place. Here a point to be noted is that from Nepal the distance of nearest port of Tianjin in China is five times, as compared to the distance of Syamaprasad Mookerjee Port from Nepal. Here NEFFA can work with the government to check if it is feasible to move cargo through China.

Detailing on the logistics constraints, **Rajnish Kumar**, Director, Pristine Group, said Birgunj is the only terminal where a railway line comes into Nepal from Indian ports. As per the revised treaty with India, any type of train can come inside Birgunj, which was not possible earlier. Nepal government has recently permitted handling of loose cargo inside ICP Birgunj and the first freight train has brought coal into ICP Birgunj. Dust suppressors have been arranged and very soon handling of dusty cargo is going to start at ICP Birgunj. It is in the best interest of trade if cargo is brought inside Nepal at ICP Birgunj and then distributed.

Rail handling capacity at Birgunj has been increased. Earlier there were only three interfaces for handling rail freight and so only three rails could be handled at a time. Now the capacity has been increased to handle 6 railway lines. And in future ICP Birgunj



Event Review

will be capable to handle 12 trains at a time.

A major concern he mentioned was Indian ports need to release Nepal bound cargo quickly. The terminal detention time at Visakhapatnam Port is very significant and needs to be improved. A rail when moves from ICP Birgunj to Visakhapatnam Port for loading of cargo it takes 36 to 48 hours to return. This time lag is very high.

Kolkata Port is the most logical port for Nepal bound cargo as it is the nearest and so the freight charges are also the lowest, but a little efficiency in handling of freight is needed. It is very necessary to bring shipping lines to Nepal, as none of the international carriers have their offices here. Another major financial concern is the remittance issue, which needs to be resolved. Nepal needs to be integrated globally for financial trade transactions to be eased out. In global ports Customs work round the clock, but at ICP Birgunj a container doesn't move out after 10PM. It has to wait for clearance until next day morning. After Customs clearance is done, a container should be allowed to move out 24x7.

"For the past 3 years, there has been very negligible pendency of Nepal bound cargo

at Kolkata Port, informed **Eshor Raj Poudel, Consul General, Consulate General of Nepal, Kolkata.** Kolkata Port is not only bridging Nepal to India, but also to many countries across the globe. But there are issues to be resolved, particularly the availability of rakes for moving dirty cargo like coal into Nepal, which is the primary raw material for cement industries. Movement of empties from Birgunj to Kolkata needs to be expedited. Certain unseen charges like container rent is exorbitant and needs to be checked.



Dr. Paras Kharel, Executive Director, SAWTEE,

discussed the logistics policy of Nepal to increase efficiency and trade connectivity with different countries. Trade deficit is huge in Nepal and that has become a national obsession of sorts. In 2026, Nepal will soon be graduating from the least developed nations' category, as a result losing a bunch of trade preferences - duty free and quota free market access. One aspect of reducing the trade deficit is by reducing the logistics related time and cost.

The Logistics Policy has been introduced to improve coordination among various trade bodies. The vision of the policy is to set up a modern and efficient trade logistics system. It has three mandates – develop targeted trade logistics infrastructure; strengthen all supply chains related to trade system; promote and improve governance in trade logistics system. It mentions about capacity building of logistics service providers and addressing the needs of MSMEs.

Among Nepal's exports to countries other than India, about 75% of them move via air freight. Here air freight issues need to be resolved. The policy also talks about dissemination of logistics data for analysing the logistics cost. Here it should be mentioned that a baseline with regards to logistics cost needs to be established. It also calls for checking the amount of time and cost reduced by implementation of ECTS.

Summarising the discussion Rajan Sharma said, the logistics policy will address both the time and cost factor. Coordination among government agencies and between public-private partners is needed. More



rules and regulations will be coming into effect to bring up better monitoring mechanism, transparency in trade across border. There are about 40 different stakeholders relating to trade facilitation and Customs being one among them. Nepal has a Customs modernisation cell bringing in new technologies like ML and Risk Analytics. Integrated Port Management Systems are coming in which will be aligned with India, Bangladesh and Bhutan.

Harihar Poudel, Director, Department of Customs, detailed on the services

being brought forward by Customs to facilitate trade. He called for comfortable conditions to be provided for truck drivers to reduce driver fatigue. He shared the example of air condition systems being introduced into the driver cabins of Indian trucks.

A. K. Mehra, Deputy Chairperson, SMPK,


elaborated on infrastructure upgrade at Kolkata Port. The rake loading system has been improved to bring down the rail detention time from 36 hours and there has been significant improvement in rake loading time.

The port is planning to have a paper notification on Kolkata bound containers to be unloaded at Haldia and will be provided a berth service for connecting to Kolkata port. This service will be both ways. Export containers from Haldia to Kolkata can also be moved in this manner. This will reduce the logistics time by 12-13 hours. Berthing of ships was only allowed during day light at Kolkata port, but now night navigation system is also under implementation. By FY24, the port will be able



to take all vessels even during the night tide. At Khidderpore dock fertilizer is being moved to Nepal. Here another loading facility is being added to expedite rake loading with time saving of 8-10 hours. The entire rake requirement for Nepal dry bulk cargo movement is 15 rakes in a month, but Indian Railways were reluctant for providing rakes due to delays in rake loading, but now equal priority will be provided for Nepal bound cargo in providing rakes as well. Cement plants in Nepal are mostly located in proximity to Bhairahawa. An SOP is to be issued by both Nepal and Indian Customs for moving coal in rakes through Bhairahawa. Currently coal is being moved in trucks causing high logistics cost and time. Special officers have been deputed at Kolkata and Haldia Ports 24x7 to address any issues faced by Nepal traders on priority basis. Kolkata being a low draft port, has introduced floating crane facility which can operate in deep draft areas where containers can be unloaded from bigger ships into smaller ships. These smaller ships will ply between the port and the anchorage points.

Hem Raj Dhakal, Vice President, FNCCI, shared his perspective

on the initiatives taken by NEFFA to streamline trade processes in Nepal, especially in decreasing the cost and time for movement of cargo. Door Prizes were distributed to key industry achievers and the gathering networked over gala dinner. As the day-long event concluded, mementos were presented to all the dignitaries from Nepal and abroad, who shared vital insights in improving the trade movement. The participants departed only to meet next year again at the 30th NEFFA Cargo Day. 



NEFFA Annual Awards 2023 ▼



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Certificate of Appreciation ▼



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08

Highest Cargo Uplift

01. Mr. Anish Joshi, General Manager
Himalaya Airlines (Amongst Online Airlines)
02. Mr Deepak Sundas, Manager,
Etihad Cargo (Amongst Offline Airlines)
03. Mr Santosh Sharma, Deputy Director,
Nepal Airlines Corporation (Amongst Online Airlines)
04. Mr Tap Krishna Shrestha, Sr. Sales Executive Nepal,
Qatar Airway (Amongst Online Airlines)
05. Mr Hari Bahadur Shrestha, MD,
Lumbini Air Freight Pvt. Ltd - NEFFA Member
06. Mr Shova Kant Poudel, Director General,
Dept of Customs - Government/Private Sector

Certificate of Appreciation

07. Mr Umesh Sharma - NEFFA Representative, Birjung
for the support provided by him from Birgunj Port
08. Mr Resham Bahadur Shrestha - Dedicated in the
Trade more than 30 years at TIA Cargo Complex

Certificate of Gratitude and Appreciation to Sponsors



Appreciation to Sponsors



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