

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:4270
ANSWERED ON:15.12.2000
INDO-NEPAL TREATY
IQBAL AHMED SARADGI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

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- (a) whether the Government have to initiate action to amend the Indo-Nepal treaty to prevent duty free re-export; (
- (b) if so, the main issues that are being considered; (
- (c) whether new measures are proposed to be taken to prevent Nepal from being a duty free re-export centre;and (
- (d) if so, the time by which final decision in this regard is likely to be taken?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH)

(a) to (d) : The current Indo-Nepal Treaty of Trade provides for access to the Indian market free of customs duties and quantitative restrictions for all articles manufactured in Nepal except for a Negative List of three articles. The Treaty also provides that in the event of this facility leading to a surge in the imports generally or in the import of any particular article, the two Governments shall enter into consultation with a view to taking appropriate measures.

The Indian authorities are keeping a watch on the import of goods from Nepal under the facility mentioned above. It has been noticed that imports of some of the articles manufactured in Nepal has increased substantially. A dialogue has been initiated with His Majesty's Government of Nepal for taking appropriate measures as provided under the Treaty.