

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:6119  
ANSWERED ON:05.05.2000  
IMPORT FROM NEPAL  
RATTAN LAL KATARIA

**Will the Minister of FINANCE be pleased to state:**

- (a) whether imports from Nepal under bilateral treaties are exempted from basic customs duty;
- (b) if so, whether the cost of most of the items are cheaper than the goods produced by Small Scale Industries;
- (c) whether SSIs are affected adversely because of cheaper rates of goods imported; and
- (d) if so, the steps taken by the Government to save the Small Scale Industries ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI V. DHANANJAYA KUMAR)

(a) Yes, Sir.

(b) Various factors like the import duty, scales of production, cost of labour, banking charges and cost of infrastructure, etc. determine the cost of an item. Government have no data about the cost of production of goods in Nepal and therefore the comparison of the cost of production of goods in Nepal with that of goods produced by Small Scale Industries in India is not possible.

(c) & (d) As and when representations are received in this regard, the issue is taken up with His Majesty's Government of Nepal as provided in the Indo-Nepal Treaty of Trade.