

**GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:7341
ANSWERED ON:15.05.2002
INDO-NEPAL TRADE TREATY
VILAS BABURAO MUTTEMWAR

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) Whether India and Nepal have renewed the existing trade treaty;
- (b) If so, the salient features thereof; and
- (c) The extent to which the same is different from the earlier treaty of 1996?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI OMAR ABDULLAH)

(a), (b) & (c) The India-Nepal Trade Treaty was renewed on March 2, 2002 for a period of five years with mutually agreed amendments to the Protocol to the Treaty without changing its basic framework.

In the revised Trade Treaty, a minimum domestic value addition of 25% for the first year and 30% thereafter has been prescribed. Ceilings have been fixed for duty-free import of vanaspati, acrylic yarn, copper products and zinc oxide, in such a manner as to avoid disrupting Nepal's existing exports to India while addressing the concerns of Indian industry. There is no ceiling on exports of these commodities on MFN basis.