

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

UNSTARRED QUESTION NO:4961
ANSWERED ON:26.04.2010
MOU BETWEEN INDIA AND NEPAL
Naik Dr. Sanjeev Ganesh;Sule Supriya

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

- (a) whether any MoU has been signed between India and Nepal to promote trade and investment;
- (b) if so, the details thereof alongwith agreements signed in this regard;
- (c) the details of trade between the two countries during the last three years; and
- (d) the extent to which bilateral trade between the two countries is likely to be benefited as a result of the Agreement?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

- (a)&(b) Yes, Madam. India and Nepal have signed
 - (i) a new Treaty of Trade and
 - (ii) Agreement of Cooperation to Control unauthorised trade on October 27, 2009. The details of Treaty and Agreement are available on the website of Department of Commerce, <http://commerce.gov.in> - under the heading International Trade – Trade Agreements.

- (c) The details of trade between the two countries during the last three years are as below:-

(US \$ Millions)
2006-07 2007-08 2008-09 2009-10
(April-Dec 2009)

Exports	927.40	1507.42	1570.15	855.49
Imports	306.02	628.56	496.04	333.65
Total	1233.42	2135.98	2066.19	1189.14

(Source: DGCI&S)

- (d) The new Treaty will enhance market access for Indian products in Nepal, through addition of four new land customs stations and air routes. It will also enhance market access for Nepalese products into Indian market and consequently attract Indian investments into Nepal. The new Agreement removes restriction imposed in the previous Agreement on export of goods imported by one party from the other, to third countries, without involving any manufacturing activity. This enhances export possibilities for both countries.