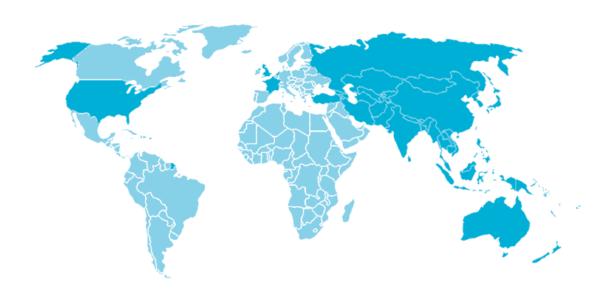


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Trade and Transport Facilitation Monitoring Mechanism in Nepal Baseline study series #1

Business Process Analysis of Import of Wool to Nepal

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 $^{^{\}rm 1}$ Naindra Prasad Upadhaya currently works in the Prime Minister's office, Nepal.

² http://sasec.asia/index.php?page=event&eid=210&url=nepal-ttfmm-national-validation-workshop

Executive Summary

As part of the baseline study of Trade and Transport Facilitation Monitoring Mechanism (TTFMM) in Nepal, this technical note analyses the trade process and procedures of import of wool through Kolkota-Birgunj-Kathmandu-Birgung-Kolkota corridor. It reviews the "as-is" trade procedures, diagnoses key bottlenecks and provides a set of possible policy recommendations.

This study reveals that, typically, 18 different institutions or agencies are involved in the procedures of import of wool to Nepal. Among the 28 different documents required for import, only two, namely Single Administrative Document (SAD) and Export General Manifest (EGM), can be submitted electronically, while the rest have to be submitted in paper documents. Customs clearance required the most documents: 10 and 9 documents are required for customs clearance at Kolkata and customs clearance at Birgunj, respectively. It takes 31 days to complete the whole import process, while the longest time taken is for the payment through the banks.

Based on data analysis, this study provides the following tentative recommendations to further enhance trade facilitation: 1) Further development of electronic filing and exchange of documents; 2) Harmonization of data and information and standardization of documents; 3) Further development of customs automation; 4) Introduction of National Single Window; 5) Review of Nepal-India transit treaty and its protocol.

This note constitutes an essential component of the baseline study of TTFMM. As such, it should not be treated as a one-off study. The indicators and other more detailed information and data included in this note provide "baseline" data for benchmarking when similar studies are carried out in the future.

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