# Business Process Analysis on SASEC Trade and Transit Corridors of Nepal

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#### 1. Introduction

Business Process Analysis (BPA) identifies constraints inherent in each step of business operation and helps in reducing waste time, unnecessary documentation and extra cost involved in business process. ESCAP, in collaboration with ADB, is implementing a cross — border BPA study on selected trade and transit corridors in south Asia. These corridors include:

- 1. Kathmandu Kakarvitta- panitanki- Pulbari- Banglabandh-Dhaka
- 2. Thimpu- Phuentsholing- Jaigaon-chengrabandha-Burimari-Dhaka
- 3. Kathmandu-Birgunj-Raxoul-Kolkatta/Haldia

This study is a part of said ESCAP/ ADB study.

# 2. Scope

## Product and corridor coverage of the study

Corridor	Product	
	Import	Export
1.Kathmandu-Kakarvitta- panitanki-Pulbari- Banglabandh-Dhaka	Lead Acid Accumulator	Lentil
2.Kathmandu-Birgunj-Raxoul- Kolkatta/Haldia	Crude Soya bean oil	Carpet

### 3. Methodology

- A.The UNNEXT/UNESCAP/UNECE Business Process Analysis Guide to simplify Trade Procedure was used as the core methodology.
- B.This study is based on both primary and secondary data.
- C.General information on export/import procedure and documentation was was collected from secondary sources.
- D.Further details in this were collected from selected importer/exporter.

  Informations so collected were cross verified from freight forwarders, CHAs, officials of NTWC, NMTDC, Custom Department and Custom Offices.
- E. In this context four Custom Offices and Department of Customs were visited.

### 4. An Overview of Nepal's Foreign Trade

- A.Nepal's foreign trade has remained almost stagnant for last several years and accounted for 34 percent of GDP in the F/Y 2010/2011.
- B.While imports increased continuously, exports registered a volatile trend.
- C.Exports account for only 16.2 percent of imports.
- D.Trade deficit is as high as 24.3 percent of GDP.

#### 5. Trade with Bangladesh

- A.Although Bangladesh is second major trading partner among SAARC member countries, size of Nepal's trade with this country is very small.
- B.In F/Y 2010/2011, total trade with Bangladesh accounted for 0.99 percent of total trade of Nepal.
- C. Share of export to Bangladesh in total exports accounted for only 5.4 percent.
- D. Share of import from Bangladesh is as low as 0.27 percent.

#### 6. Export of Lentil

- A.Lentil is one of the major export items of Nepal.
- B.Of the total export, it accounts for 5.2 percent.
- C.Bangladesh is the major market for Nepalese lentils.
- D.According to 2010/2011 data, 99 percent of Nepal's export of lentil is destined to Bangladesh.

#### of Lead Acid Accumulator

nostly from India followed by China and Bangladesh. Dort from Bangladesh in total import of LLA is 12.5 percent. share in total import of Nepal is low (0.23 percent), LLA is import item from Bangladesh.

I for 23.2 percent of total imports from Bangladesh in F/Y 1.

