

# PRIVATE SECTOR CHALLENGES IN RELATION to PHYTO-SANITARY ISSUES AND SAFE TRADE

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# Outline of Presentation



- SPS requirement for plant and herbs export trade
- Major products exported from Nepal
- Current practice of certification for export to India.
- Problems and issues caused by both the partners
- Potential measures for facilitating the export in India.
- (i) Effort required from GoN
- (ii) Consideration/recognition from Govt. of India

# SPS Requirement for Plant and Herbs Export Trade

Agricultural products in South Asia both faces tariff and non-tariff barriers; many agro-products are included in the sensitive list under SAFTA.

Around 2500 NTMs are notified to WTO by the member countries. Practically technical standards and SPS related NTMs grows in numbers once the economy gets better off; requiring better food safety, hygiene and better standards of goods and services.

- Agricultural products are major export commodities of the developing countries and attract the most NTMs in the importing countries.
- NTMs are not transparent as tariffs. Hence, measuring the adverse impact of the NTMs is most difficult in comparison to tariff measures. Impacts are case specific and complex.

# SPS Requirement for Plant and Herbs

## Export Trade

- Severity of NTMs effect is normally measured using the econometric method of calculating the ad-valorem equivalent (AVE) impact of such measures. UNESCAP study shows that such AVE impact is high on live animals (SPS 12.5%, TBT 10.1%), vegetables (10.3 and 8.1 percent), beverage and tobacco (8.0 and 7.5%) and fats and oil (6.9 and 7.8 percent respectively)

Connectivity and inadequacy of border infrastructures are the other restricting factors in facilitating cross-border trade in South Asia.

- Non-tariff measures has been a one way traffic for Nepal with lot of import restrictions on the other side of the border but almost open for all type of imports into the country.

# SPS Requirement for Plant and Herbs

## Export Trade

- Some impeding factors for Nepalese export to India: Food test certification require longtime and cost, special additional duties, difficult process of getting permission for
- export of pharma products and so on.
- • Impeding factors on Nepalese export to Bangladesh and China:
- Inadequate transport infrastructures and connectivity, exorbitant
- charges in the land-port of Bangladesh, lack of transparency in rules
- and regulations (with China), stringent SPS requirement by China in
- import of citrus oranges and meat products and complicated process
- of exporting pharma products to Bangladesh.

# Major Products Exported to India from Nepal

## » Major products

- » Vegetable ghee
- » Jute goods
- » Pulses
- » Rice
- » Ginger/fresh and dry
- » Large cardamom
- » Honey
- » Tea
- » Herbs

## » Other products

- » Pulses
- » Nepalese Paper and products
- » Instant Noodles
- » Chyawanprash

# SPS Requirements Current practice of Certification for Export to India

- Certificate of Origin from FNCCI
- Quarantine certificate: Indian and Nepalese authority.
- Pesticide Residual Analysis report( NOt very often)
- Fumigation or any other treatment certificate approved by the plant Protection Advisor to the Government of India ( bulbs type of vegetables for consumption)
- Free from soil and foreign material

# Problems and Issues caused by both the Partners More Specific to Major Products

Additional requirement put forth by Indian authorities:

A. For ginger: Export from Kakarvitta

Consignment above 2 million Rs. Need to approved from Assistant Commissioner from Silguri- not available in Panitanki boarder to Kakarvitta.

From Sunauli post: Custom clearance agent should be Indian origin. Syndicates

Non –Uniformity in Indian Plant quarantine order issued by different states. e.g. List of herbs as listed as Medicinal Herbs ant not listed all exported herbs in all adjoining states of India and Nepal

Uniformity in the customs posts in India need to be made.

Uncontrolled export and import of ginger from China to India



# Problems and Issues Caused by both the Partners



B. For the plant material including pulses, Areca nuts.(  
Supari) cardamom and spices export to India:

(i) Quarantine certificate

(ii) Quality certificates ( moisture, foreign materials  
and in some case the content).

(iii) Certificates in compliance to Indian Food Safety  
and Standard Regulations 2011.

(iii) Uncontrolled import of Supari from third country.

# Other Issues: Transit and Transport

- Transit and Transport Issues
- Additional port facility in Visakhapatnam for Nepal
- Facilitate fastest movement of consignment from Kolkata to Nepal.
- Facility provide to use Bangladesh port via Indian transit route.
- Priorities and treat as equal to Indian cargo in the Indian railways.
- Free access of Indian border cities to export livestock product from Nepal to Bhutan
- Import of hybrid cow from India
- Activate SAFTA at the possible extent and soon.
- Control on the unauthorized trade in boarder.

# Potential Measures for Remedial Efforts



- A. Food and Plant products:
  - 1. Respect to Nepalese Phytosanitary Certificate
  - 2. Less hassles in cross state, transport of Nepalese commodities, in India
  - 3. Listing Nepalese NTFPs in PQO of India
  - 4. Lab accreditation and testing facility development

# Potential Measures for Remedial Efforts

- B. Animal product and quality
- Control free movement of domestic animal in and out in India.
- Accreditation of Nepalese animal quarantine lab.
- Respect to Nepalese animal quarantine certificate
- Capacity development of testing facility development in Nepal

# Potential Measures for Remedial Efforts

- Harmonization of Food/Plant and Animal standards.
- Lift restriction on imports of Nepalese agriculture and livestock products in India.
- Validity of Nepalese quality and standard testing certificates.
- Waiver on additional duties like CVD( Counter valuing Duties at par of Indian excise duty).
- Formation of Local Committee as stated in the Article XI of the Nepal India Trade Treaty to solve the local problems in clearance of goods at local customs points.
- Need to establish laboratory or facilitate speed up lab tests for food items including tea, coffee and others as per the Indian Food Safety and Standard Regulations 2011 .

# Potential Measures for Addressing the Challenge

## Efforts required from Government of Nepal:

- ❖ DFTQC – develop pesticide residue testing mechanism and work on having its certificate accredited internationally, enhance capacity, promote private sector laboratories
- ❖ Enhance and strengthen the technical capacity of existing Plant Quarantine Offices of Kakarvitta, Biratnagar, Jaleshowre, Birgunj, Bhairahawa, Rupedia and Gaddachowki and other upcoming check posts
- ❖ Issue quality and phyto-sanitary certificates on thorough inspection to adhere with the quality standard of India and other importing countries.

# Potential Measures for Addressing the Challenge

- ❖ Nepalese Govt. Labs duly comply with international test parameters for issuing test certificate.
- ❖ Capacity building of Plant Quarantine program in PRA, PFA and Fumigation procedures .
- ❖ Frequent and regular meeting of High level authorities of both India and Nepal to discuss on the issues of SPS and quality concerns e.g PRA, PFA and other analysis requirement for export of Tea, coffee and food items, Cardamom. Ginger and other vegetable products from Nepal.

# Consideration from Govt. of India



- Adhere within the principle of SPS principle of Non-discrimination in the implementation of SPS implementation.
- Respect the WTO privilege for LDCs the grace period ( relaxation of some of the SPS measures)
- Consistency in the implementation of SPS.  
( Avoid manipulation of local Indian Authority)



- Thank you very much for your kind attention
- Any questions ????

