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Trade and Transport Facilitation Monitoring Mechanism in Nepal Baseline study series #3

### Business Process Analysis of Import of Fabrics to Nepal

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<sup>&</sup>lt;sup>2</sup> 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 fabrics to Nepal from Bangladesh. It reviews the "as-is" trade procedures, diagnoses key bottlenecks and provides a set of possible policy recommendations.

This study reveals that it generally takes 22 days to complete all trade procedures for importing fabrics from Bangladesh to Nepal. Payment via Asian Clearing Union (ACU) takes up more than 50 percent of total time, indicating there may be room for improvement through ACU payment mechanism. The cost for completing the procedures amounts to US\$1000. Costs for transport, amounting to US\$ 500, are the highest. Obtaining undertakings from NTWCL (US\$ 250) is the second most costly procedure. In total, 24 unique documents need to be submitted for 47 times to complete the procedures of importing fabric from Bangladesh to Nepal. Among the 47 submissions, only 3 are conducted electronically while the remaining 44 are submitted manually.

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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