

'Tightening of reference pricing at customs terrifying industrialists'

The tightening of customs valuation on the direction of Ministry of Finance Yuba Raj Khatiwada has unleashed fear among industrialists of eastern Nepal.

Speaking at a discussion organized jointly by Moran Merchants Association and Chamber of Industries Morang, local industrialists said that the customs valuation procedure have left them terrified.

Industrialists say they do not know whether to import goods or wait for some time. Industrialist Shankar Lal Agrawal said that the government was making efforts to increase price of sugar at a time when price of sugar is falling in the international market. "While sugar is available in the international market for US\$ 340 per ton, its price in the Nepali market hover above \$460 per ton due to high customs duty," Agrawal said, adding, "There is a demand for 250,000 tons of sugar in the Nepali market. Local mills produce 125,000 tons and Salt Trading Corporation imports 50,000 tons by paying 1 percent duty. Remaining 75,000 tons enter the market through illegal channel."

Industrialist Khem Chandra Jain also said price of goods, whose reference price is \$3,700 at the customs point, has fallen to \$3,000. "In such a situation, we do not know whether to import goods or not," Jain added.

Pawan Kumar Sarada, president of Morang Merchant Association, asked the government to end confusion about reference price at the earliest.

However, Shishir Kumar Dhungana, secretary of the Department of Customs, said that proper pricing of goods and services is not a problem and that the government can verify the invoice price with the taxed amount. "If the invoice discloses the original price, customs offices will impose taxes accordingly," he said, adding that the government regulated the price of sugar by holding consulting with sugarcane farmers.

Dhungana also made it clear that the government has not created hindrance in import of industrial raw materials.

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Speaking at the program, Minister for Finance, Yuba Raj Khatiwada, said that the government has taken the policy of prioritizing trade and industrial sector. “If anyone asks for bribe or other favors at the customs point, I request you to report the matter straight to the finance ministry's toll-free number. The government will take needful action against them,” he said, requesting traders and industrialists not to promote corruption and forgery of documents.

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