

Customs formalities for Nepal bound cargoes at Indian ports to ease

Preparations are underway to lift customs procedures from Nepal's third country imports coming via Indian ports.

Going by the international practice, customs formalities of shipments in transit are done at the customs office of the receiving countries only. However, India requires Nepali importers to complete customs procedures at its ports also.

“It was natural for Nepal to seek facilitation of Indian customs office at its port six decades ago when it started trading with third countries. Time has changed now,” Ashok Temani, president to Road Transport and Transit Committee of the Federation of Nepalese Chambers of Commerce and Industries (FNCCI). “India might have been concerned about its security and revenue back then. But these issues can be solved via the use of technology,” he said.

As Nepal has now plenty of experience of overseas trade, the existing practice should end now, he added.

Import via Vishakhapatnam port, however, does not require presence of importers. Shipping companies themselves can complete simple formalities there, according to Kalyan Chakraborty, senior general manager to Vishakha Terminals.

Similarly, the number of paperwork that needed to be completed by importers at Kolkata and Haldia ports has also reduced to half from 14 in previous years. “Customs formalities at Kolkata port will be reduced to a page worth of paperwork from the beginning of new fiscal year of India,” Binaya Kumar, president Kolkata Port Trust, told Republica.

Pradip Kedia, former president of Birgunj Chamber of Commerce and Industries, said Kolkata port is a mere transit point for Nepal like Singapore and Colombo. “Authorities there do not require any paperwork. We are seeking similar facility at the Indian ports,” Kedia said. “Various decisions have been taken to facilitate Nepal's third country trade this year. The lifting of customs procedures at Kolkata and Haldia ports will be an icing in the cake.”

The Bill of Lading (BoL) issued by the exporter now includes the destination of container as Inland Container Depot (ICD), Birgunj, in addition to the name of the importer in the Cost,

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Insurance and Freight (CIF) document. This has made it possible to shift customs documentation process directly at the Birgunj ICD instead of Indian ports.

Earlier, containers coming to Nepal used to have Kolkata as the destination, making it mandatory for the Kolkata and Haldia ports to issue Customs Transit Declaration (CTD) before containers are shipped to Nepal.

Nepal's Consul General in Kolkata, Ek Narayan Aryal, said end of customs procedures at Indian ports for Nepal's third country imports is a big achievement in the country's international trade. "The Indian side has taken our demand seriously. Our main concern is to lessen the time and cost of doing trade, while they seem to be more concerned about security issues and revenue security, Aryal said, adding: "However, we have been able to ease transport of goods across the border by lessening paperwork."

Meanwhile, the Indian authorities are testing the use of Electronic Cargo Tracking System (ECTS) on Nepal-bound third country containers, according to Aryal

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