

NTDB prepares 10-year master plan

Envisions robust trade infrastructure to transform landscape of foreign trade

Himalayan News Service
Kathmandu, August 26

The Nepal Intermodal Transport Development Board (NITDB) — the government agency responsible for construction and operation of dry ports and integrated check posts in the country—has prepared a 10-year master plan envisioning robust trade infrastructure to transform the landscape of foreign trade and smoothen supply situation in the country.

The master plan was developed in line with the federal setup to ensure inclusive and equitable growth through trade and investment promotion. It has envisioned to develop at least one well-facilitated Inland Clearance Depot

(ICD) in each province. Currently, there are four ICDS in operation — Birgunj (Province 2), Kakadvitta and Biratnagar (Province 1) and Bhairahawa (Province 5).

Construction of three ICDS in Province 3 has already been initiated, which are the ICD Larcha (Sindhupalchowk), ICD Timure (Rasuwa) and Chobhar (Kathmandu). However, there is no ICD in Karnali province and Province 7. There are plans to develop an ICD in Doodhara Chadani in Kanchanpur district of Province 7. The proposed project is expected to reduce transportation cost in trade with western countries due to its proximity with Jawaharlal Nehru Port Trust (JNPT) in Mumbai and the proposed location

is close to the Asian Highway. Moreover, the Indian government has given a green signal to link the proposed ICD with rail movement, according to Laxman Bahadur Basnet, executive director of NITDB.

“As Nepal has plans to develop an east-west railway project in the long term, this port can also cater services to movement of cargo within India via Nepal, and our east-west railway service will get business ferrying cargo from West Bengal to Uttar Pradesh and Uttarakhand and vice versa.”

Similarly, master plan has proposed developing ICD in Yari of Humla district of Karnali province as China has already been convinced to open border point at Yari. China has developed

express highways close to the border point at Yari, which has potential to be a trade hub with China once border point is opened.

“The master plan has envisioned robust connectivity and cross-border infrastructure, ICDS and integrated check posts to ease the movement of goods and passengers,” said Basnet.

“To promote industrialisation in the country, the master plan has proposed railway connectivity to the industrial estates and special economic zones especially in Tarai region and other feasible locations from the ICDS to minimise the cost of transportation in export and import and to smoothen the supply of raw materials to the industries.” On the other hand, the

plan has proposed developing ICDS in certain locations based on the industrial density and also to smoothen the supply system, where a large chunk of goods is supplied both for consumption and production. The ICD in Chobhar is going to be developed to cater to smooth supply of goods in Kathmandu Valley from where 40 per cent of the country’s total trade is carried out.

“After construction of ICD Chobhar in early 2020, third-country cargo for both export and import can be cleared from Chobhar, which will substantially minimise cost and time of traders, ensure smooth supply of goods in Valley and explore potential of industrialisation on outskirts of the Capital,” stated Basnet.

“In a nutshell, the master plan is focused solely on trade facilitation as our trade is 20 per cent costlier compared to India due to transport logistics and inefficient trade infrastructure. We have to cut down inefficiency to be competitive in production and ensure supply of imported goods at a reasonable price to customers,” he added.

The master plan has also envisioned developing ICDS in Korola of Mustang (Province 4), Krishnanagar, Kaptivasu (Province 5) and another in a location that is central to Sirtahi, Maheshpur, Gaur and Rajbiraj (Province 2). Likewise, there are plans to develop integrated check posts at the major customs points of both India and China.