

GOVERNANCE

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Nepali Industries Struggle Amid India's Restrictive Import Policies

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Nepali manufacturers and exporters face an escalating crisis as India's restrictive trade measures, including the mandatory Bureau of Indian Standards (BIS) certification introduced in 2020, disrupt exports. The policy, designed to prevent Chinese components or raw materials entering Indian markets through neighboring countries, has left Nepali industries struggling with stranded inventory, reduced production, and significant layoffs.

The sanitary pads and diapers sector is among the hardest hit, with products worth NRs 250 million stuck in warehouses for three months, jeopardizing the livelihoods of over 6,000 employees working in about 29 factories. Despite fulfilling BIS certification requirements, exports remain stalled due to delays in inspection visits from Indian authorities. Cement manufacturers, including Arghakhanchi Cement, Sarbottam Cement, and Palpa Cement, have halted the operations for more than two months, leaving these industries on the brink of closure or operating below capacity. Similarly, the plywood sector, which employs approximately 25,000 workers, is allowed certification-free exports until March 2025, but faces looming risk of operations and job security. Renowned brands such as Goldstar Shoes have also scaled back operations, further diminishing Nepal's industrial output and economic resilience.

Nepal's heavy reliance on Indian markets and the lack of an established domestic certification infrastructure is said to have compounded the crisis. Despite the situation, Nepali government's response has been very slow, as multiple appeals and high-level meetings have yielded no tangible progress. It also exposes Nepal's weak trade strategy.

Experts emphasize the need for long-term solutions, including the establishment of standardization labs as agreed under the 2009 bilateral trade agreement between both countries. Furthermore, to navigate this crisis, Nepal must prioritize active diplomacy to secure a mutual recognition agreement, expedite the establishment of domestic certification facilities, and explore alternative export markets. Without decisive action, Nepal risks prolonged dependence and vulnerability in its trade relationship with India.

Read more: [The Kathmandu Post](#)

Governance Issues of the Week

1. Unused ICU materials in Bir Hospital: 23 ICU beds and 31 ventilators in Bir Hospital, purchased for nearly NRs 90 million, have remained unused for years, while critically ill patients are without necessary care and are assigned to other hospitals. The hospital administration attributes the issue to lack of human resources as the Ministry of Health had terminated 221 staff, including doctors, nurses, and technicians.

Read more: [Kantipur](#)

2. September flood damage in numbers: The heavy rainfall-induced disasters from September 26 to 28, 2024, resulted in damages totaling NRs. 46 billion across the physical, social, and production sectors. Despite the findings that the natural disasters are impacting the country's annual GDP by 3 to 4 percent, the government has not yet prioritized the development of policies or infrastructure to address this escalating issue.

Read more: [Annapurna Post](#)

3. Passport services to resume after malware attack: The passport department has stated that services will fully resume on 13 December 2024 following a malware attack on the passport department two weeks ago. The department claims that no breach has been detected as of yet.

Read More: [The Rising Nepal](#)

4. Bipartisan talk on Siliguri-Jhapa pipeline: Minister for Industry, Commerce, and Supplies of Nepal, and Minister for Petroleum and Natural Gas of India, Hardeep Singh Puri, have discussed the construction of the Siliguri-Jhapa pipeline and other matters of mutual interest and bilateral welfare as per the minister's secretary. The minister also stated that both sides have agreed to hold meetings for all bilateral government mechanisms.

Read More: [The Himalayan Times](#)

5. Call to revise Labor Agreement with Qatar: In a meeting with the Qatari ambassador to Nepal, Vice President Ramsahay Prasad Yadav called for 24-hour insurance coverage for workers, and to facilitate rescue and compensation for injured or deceased workers. Nepal had, since 2018, attempted to revise the current labor agreement with Qatar inked in 2005 but Qatar has consistently delayed finalizing a new agreement despite offering assurances.

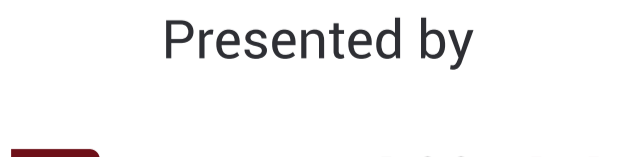
Read More: [OnlineKhabar](#)

6. Bhurigaun-Telpani postal track awaits expansion: After 56 years of inauguration as a postal track, the expansion of the Bhurigaun-Telpani Road connecting Surkhet and Bardiya has not been completed despite annual provincial budget allocations. Farmers in Telpani have commenced repairs of an 18-kilometer stretch of road from Ranighat to Telpani by themselves to facilitate ease of transporting farming goods via tractors.

Read More: [The Rising Nepal](#)

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