

Nepal German Chamber of Commerce & Industry
 नेपाल-जर्मन उद्योग वाणिज्य संघ
 Deutsch-Nepalesische Industrie-und Handelskammer

Economy

- Nepal's Trade Development
- Potential of Ayurveda-Herbal Industry in Nepal
- Export Sector Presentation
- EU Trade News



export sector:
 medical & aromatic plants & spices



Economic Diplomacy between
 Nepal and Germany

19th AGM of NGCCI

Trade Fairs Calendar
 2013 in GERMANY

BIOFACH

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नेपाल-जर्मन उद्योग वाणिज्य संघ

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From the President's Desk



Dear NGCCI Members,

It has been more than two decades of the continuation and professional growth; NGCCI has made its mark in the promotion and development of economic bi-lateral relations with Germany and recently Europe after the concept of EU. We have organized successful business programs with active involvement of its members including government, non-government and our development partners. We will continue to endeavor our efforts to achieve the chamber's goals by organizing more events, which will be beneficial to the members and will also contribute in the national economy.

Before I write further I am immensely pleased to welcome the new German Ambassador His Excellency Mr. Frank Meyke who also visited in our chamber. I briefed him about the chamber and its activities and further discussed on the future plans and programs where chamber and embassy can work together to enhance the bilateral economic growth between two countries. Along with the Ambassador coincidentally we have new Country Director of GIZ Mr. Roland F. Steurer to Nepal. On behalf of the chamber and myself I would like to welcome him. I am very confident that the chamber will accomplish many programs with his cooperation and guidance.

NGCCI organized a High Level Business Delegation to Germany and Belgium under the leadership of Minister for Commerce and Supplies Hon'ble Mr. Lekh Raj Bhatta to promote and extend a stronger relationship between the professionals and business communities of Nepal, Germany and Belgium in February and March 2012. The chamber organized Business Visit to DRUPA 2012, largest printing equipment exhibition in the world. NGCCI has been successfully coordinating continuously country's participation in Europe's largest public exhibition Caravan, Motors and Tourism Fair (CMT) at Stuttgart

since 1994 promoting Nepal and Nepalese Tourism. NGCCI has a keen interest on coordinating and obtaining representation of major Trade Fairs of Germany and bridging the contacts with the messe authorities.

The country is still undergoing political upheaval and finally determined to have national election, which is the only ultimate process for the stabilization of the country.

I hope this consensus of political parties to hold the election will remain unchanged and we will have election on November 19, and will have our new constitution, which will relief the country from confusion, create harmony and achieve economic goal of the country.

Let me welcome in the chamber CIM-Expert Ms. Christine Falkenberg, a support from GIZ for Economic Promotion. We hope to use her expertise for the further increase in services to members and non- members.

Last but not the least, I would like to thank Publication committee Chairperson Mr. Anup Malla, committee members and the secretariat for bringing out this third issue.

Thank you and looking forward for the extended progress of bi-lateral economic growth between Nepal and Germany.

Kathmandu July 2013

Gopal Sunder Lal Kakshapati
President

Few words by
the Chairperson
of Publication Committee



It is great pleasure for me to present to our dear members, partners, well wishers and those with interest in Nepalese German relations the 3rd edition of the NGCCI Newsletter "NGCCI News". The NGCCI News is the official publication of the chamber to provide you with more business information of export markets and important business events. In our effort to focus on specific export sector in each issue, this issue focuses on Medicinal Herbs and Aromatic Plants (MAPs) presuming very high potential to export in our partner country Germany and in EU countries beside other existing products.

The country's high biodiversity combined with the ancient knowledge and long tradition of Ayurveda offer a vast range of new business activities such as health tourism and production of ayurvedic pharmaceutical products. Besides, the saps and essential oils extracted from different plants can be used as ingredients for producing various consumer products such as cosmetics, fragrances and food products. Nepal exports an estimated 6,000 tonnes of herbal products annually. The main objective of dedicating this issue in Medicinal Herbs and Aromatic Plants (MAPs) is to consolidate and propagate the information in details of this sector.

I hope this issue of NGCCI News will be very informative and valuable. I highly appreciate the time and efforts of all persons involved in publishing this Newsletter. I would like to extend my heartfelt thanks to all the members and other organizations, who supported by placing advertisement, CEO Saraswati Maharjan and the entire Secretariat staff for their hard work to publish this issue.

Any comments and suggestions, for improvement of the Newsletter will be highly appreciated and can be addressed directly to the NGCCI Secretariat.

Kathmandu, July 2013

A handwritten signature in black ink, appearing to be 'S. Maharjan', written over a light blue grid background.

Chairperson
Publication Committee

From President's Desk

Few words from the Chairperson

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High Level Delegation to Germany and Belgium 2012



Nepalese High Level Business Delegates led by Hon'ble Minister Lekh Raj Bhatta, Minister for Commerce and Supplies with H.E. Jurgen Klimke, Member of the German Parliament

Nepal German Chamber of Commerce and Industry in cooperation with Embassy of Nepal in Berlin, German Embassy in Nepal, Ministry of Commerce and Supplies and Nepal Investment Board organized High Level Business Delegation to Germany and Belgium from February 27- March 8, 2012.

The delegation was led by Hon'ble Minister Lekh Raj Bhatta, Minister for Commerce and Supplies as government delegate. The other members of delegation were Commerce Secretary Lal Mani Joshi, President of NGCCI Gopal S.L. Kakshapati, Member of Nepal Investment Board and Immediate Past President of FNCCI Kush Kumar Joshi, NGCCI Members, Manoj Dongol, CEO, Statue House Pvt. Ltd. and Udeep Shrestha, Director, Panchakanya Group, CEO of NGCCI Saraswati Maharjan, and Media Representative Hridaya Gautam, Executive Producer, Independent Business News.

Program included, Nepal Presentation and Interaction with German South Asian Parliamentarian Group in Berlin, Nepal Event in Hamburg and Nepal Presentation and B2B Meeting in Antwerpen, Belgium and other High Official Meetings with BMZ, BMWi and DIHK. The program was focused on paper presentations on major areas of interest such as Investment, Tourism, Hydropower, Infrastructure Development, Nepalese Traditional and Non- Traditional Exportable Products followed by Business to Business meetings.

The purpose of the visit was

- ✓ Presentation of current scenario and investment opportunities in Nepal.

- ✓ Promotion of Tourism and Nepalese exportable products in Germany and Belgium.
- ✓ Promote and develop partnerships between Nepalese, German, Belgium and European Businesses
- ✓ Develop a stronger relationship between the professionals or business communities of these countries in areas of trade, industry and investment.
- ✓ Renew contacts and networking with concerned organizations in Germany, Belgium and Europe

The Nepalese delegation had a meeting with H.E. Jurgen Klimke, Member of the German Parliament (Bundestag) from the governing Christian Democratic Party (CDU) and also associated with the parliamentary committees on Economic Cooperation and Development (chairman), Foreign Affairs and Tourism among others, on February 29.



Delegates during meeting with H.E. Jurgen Klimke, Member of the German Parliament



Exchange of Souvenirs: H.E. Jurgen Klimke, presenting souvenir to Hon'ble Minister Lekh Raj Bhatta

The delegates had a series of meeting with the highest level officials from the German Federal Ministry for Economic Cooperation and Development (BMZ), Federal Ministry of Economics and Technology (BMW) as well as Association of German Chambers of Industry



Meeting with German Federal Ministry for Economic Cooperation and Development (BMZ)



During the meetings, Hon'ble Minister highlighted the current developments taking place in Nepal and requested for cooperation of Germany in concluding the peace process as well as fostering the economic activities in Nepal with more assistance and investments. He thanked the German Government for their continued support to Nepal and invited the German private sector to invest in Nepal on infrastructure development sectors such as hydro-power, roads and airports, coinciding the Nepal Investment year 2012.



Meeting with Federal Ministry of Economics and Technology (BMW)

The German side emphasized that Nepal should focus more on economic development and prosperity of the people for which Germany is always ready to cooperate. They were curious to know about the peace building as well as law and order situation in Nepal, a matter of primary concern for all the potential investors. Hon'ble Minister assured of secured environment for the investors and added that both the countries had already signed BIPPA agreement in this regard. During all the meetings, the ambassador of Nepal to Germany H.E. Suresh Pradhan highlighted on the aspects of bilateral relations between Nepal and Germany and the roles being played by the embassy in promoting economic diplomacy. Kush Kumar Joshi, Immediate Past President of FNCCI and Member of the Investment Board of Nepal, explained the opportunities available in Nepal for investments with slide presentations and Gopal SL Kakshapati, President of NGCCI, highlighted the trade and investments taking place between the two countries and the role of NGCCI to promote them.



Meeting with Dr. Volker Treier, Deputy Chief Executive and Managing Director, International Economic Affairs and Benjamin Leipold, Director Asia Pacific, Association of German Chambers of Industry and Commerce (DIHK)

In all the meetings, Hon'ble Minister was accompanied with the Secretary of Ministry of Commerce and Supplies Lal Mani Joshi, Ambassador of Nepal to Germany H.E. Suresh Pradhan, Member of Investment Board of Nepal and IPP of FNCCI Kush Kumar Joshi, Counselor and Deputy Chief of the Embassy Prakash Mani Poudel, President of NGCCI Gopal SL Kakshapati, CEO of

NGCCI Saraswati Maharjan and other representatives from the business sector and media.

In the evening, on February 29, Ambassador H.E. Pradhan organized dinner reception at his residence in Berlin where a large number of invitees from the German side as well as Nepalese community were present including German Members of Parliament, members of business community and other high ranking officials.

Visit of Hälssen & Lyon GmbH

(Europe's largest tea company)



Delegates observing varieties of Tea at Hälssen & Lyon from different countries

The Nepalese Delegation visited Hälssen & Lyon GmbH, one of the leading tea company in Europe with headquarter in Hamburg, Germany. The family-run firm was founded in 1879 and is held in high esteem around the world because of its more than 133 years of experience in the tea business with the slogan "the world of tea under one roof".



Nepal Gold HIMALAYAN SHANGRI-LA, Tea from Nepal at the Hälssen & Lyon GmbH in Hamburg

The company has the great range and variety of the tea from all over the world and which included more than 6 varieties of tea from Nepal.



Owner of the company and also Honorary Consul General of Srilanka, Olav C. Ellerbrock briefing the delegates

Nepal Round Table in Hamburg

The Nepalese Delegation had a round table meeting in Hamburg, a major industrial and port-city of Germany, organized at Hamburg Chambers of Commerce (Handelskammer) in cooperation with Hamburg Chamber of Commerce and German Asia-Pacific Business Association (OAV) on March 2, 2012. The program attended by high officials from OAV, IHK Hamburg and leading business organization exchanged ideas on newer avenues for cooperation and investments.



Nepal Round Table in IHK Hamburg

In the evening of March 2, a dinner was hosted in honor of the visiting Business Delegation by Milan Kendra, a local organization, in the Nepalese 'Asia Quick' restaurant followed by interaction program.

Nepal Event in Antewerpen, Belgium

Nepal Event was organized in Antewerpen, Belgium in cooperation with Nepalese Businessmen's Association Belgium, Embassy of Nepal in Belgium and NRNs in Belgium on March 5, 2012. The program was inaugurated by Kush Kumar Joshi, Member of Investment Board as the chief guest.

He also made presentation on investment opportunities in Nepal. NGCCI President Gopal S.L Kakshapati made presentation on NGCCI and its activities and possible cooperation and coordination with business community in Belgium. Hari Thapaliya, President of Nepalese Businessmen's Association highlighted on NEBAB activities. NRNA, Belgium President, Janaki Gurung presented report on going to be established Nepal House in Belgium for promotion of Nepalese products.

The program was also attended by Kumar Kharel, Charge de' Affairs of the Embassy of Nepal in Belgium. The program was followed by interaction on mutual cooperation for Nepal House in Belgium.



Member of Investment Board, Kush Kumar Joshi inaugurating Nepal Program in Antewerpen, Belgium



From left: NGCCI President, Gopal S.L Kakshapati, NEBAB President, Hari Thapaliya, Member of Investment Board Kush Kumar Joshi and NRNA President, Janaki Gurung at the Nepal Program in Antewerpen, Belgium

Visit to NBI- Nation Branding and Investment Expo in Eindhoven, Netherlands

CEO Saraswati Maharjan joined Charge de' Affairs and the officials from the Embassy of Nepal in Belgium to visit to the NBI- Nation Branding and Investment expo in the Netherlands on March 8, 2012.

CEO had also nice meetings with high officials and experts of International Trade Centre (ITC) Branding support program for possible cooperation and coordination. ITC is very positive to work with NGCCI, for their activities in Nepal for Branding support program.

NGCCI celebrates 19th AGM under the theme “Partnership for Investment Year”



NGCCI Executives during Business Session of the AGM

The 19th Annual General Meeting of Nepal German Chamber of Commerce and Industry (NGCCI) was held successfully under the theme “Partnership for Investment Year” on June 22, 2012 at Hotel Radisson, Kathmandu.

The Business Session was chaired by the President, Gopal S.L. Kakshapati who delivered welcome remarks. H.E. Verena Gräfin von Roedern, Ambassador of the Federal Republic of Germany and Honorary President of NGCCI delivered opening remarks at the Business Session. General Secretary Anup B. Malla presented the Annual Report of the year 2011/2012 and Annual Operational Plan of the Year 2012. The audited Balance Sheets of the Chamber for the fiscal year 2066/2067 and 2067/2068 were presented for deliberation and adoption by the Chamber’s Treasurer Ashoka K. Agrawal.

The presentations were followed by floor discussions in which NGCCI Members present participated actively. The floor passed both the presentations after clarifications by the concerned office bearers on the questions raised by the members.

Membership Certificates were also presented to the new Members of the Chamber.

Inaugural Ceremony

The Inauguration Session was honored by Hon’ble Minister for Finance Barsha Man Pun as the Chief Guest for the day who inaugurated the ceremony. Large number of distinguished guests representing from the trade and industry sector in Nepal, diplomatic missions, NGCCI members, high government officials and other important figures including journalist were present at the Inaugural Ceremony.



Chief Guest Hon’ble Minister for Finance Barsha Man Pun inaugurating the 19th AGM of NGCCI



Distinguished guests at the inaugural session of the AGM



President of FNCCI Suraj Vaidhya addressing at the AGM



President of NGCCI Gopal S.L. Kakshapati delivering welcome remarks during the inaugural session

Suraj Vaidhya, President of FNCCI highlighted on the present business environment and role of government to support businesses. He urged the government to bring private sector and investment friendly budget with strong economic agenda.

Addressing the function, H.E. Verena Gräfin von Roedern, Ambassador of the Federal Republic of



Ambassador of the Federal Republic of Germany and Honorary President of NGCCI H.E. Verena Gräfin von Roedern addressing at the AGM

On the occasion, delivering welcome remarks, the chairperson of the ceremony Gopal S.L. Kakshapati, President of NGCCI shed light on Nepal German relation and German cooperation for Nepal. He added, Germany being a well wisher of Nepal has shown keen interest in the overall development along with the much needed economic progress in the country. He also put forth his opinion on present business environment and urged all political parties to come to consensus in the economic agenda setting aside their political differences.

Germany and Honorary President of NGCCI said, “ the German government acknowledges the high importance of investment, trade and the inclusive development of the economy for Nepal and supports the government and the business sector with three major technical cooperation programs.”

She added, the involvement of private sector is indispensable in the formulation and the implementation of policies, acts and regulations that fuel the development of the economy and create a favorable business environment.

Hon'ble Minister for Finance *Barsha Man Punsaid*, “The government will give priority to a common economic program in the next year's budget which could enhance both trade and investment.” Admitting that political consensus was a must for full-fledged budget, he said the government was taking necessary initiative to forge political consensus at the top political level and added that the government was open for dialogue with other political parties to forge consensus on budget.



CEO of the Nepal Investment Board Radesh Pant, delivering keynote speech at the inaugural session of the AGM

Radhesh Pant, CEO of the Nepal Investment Board, delivering keynote speech on Investment in Nepal, highlighted on difficulties and challenges of Investment. He mentioned poor infrastructure and political instability are the major challenges for investment in Nepal.



General Secretary Anup Malla making announcement of NGCCI Awards

NGCCI Awards

At the programme, Chief Guest Hon'ble Minister for Finance *Barsha Man Pun* also handed over the NGCCI Awards to honor and recognize the companies for the outstanding performance.



Best Exporter of the Year Award 2012 was awarded to Senon Carpet Industries Pvt. Ltd for highest export of Nepalese carpet to Germany worth U.S. Dollar 1.25 Million among NGCCI Members.



Best Importer of the Year Award 2012 was awarded to Sudeep International Trading for highest imports of Laboratory Equipments and Reagents from Germany worth Euro 342,446.42 among NGCCI Members.

*Congratulations
all the Winners!*



Best Exporter of Non – Traditional Products Award 2012 was awarded to Papermat Pen Industries Pvt. Ltd. for highest export of high quality transparent ball pens to Germany of the total value US\$ 242,006.72.



Hydropower Excellence Award 2012 was awarded to Chilime Hydropower Company Ltd as a mark of appreciation and recognition to the company for contributing significantly to the sustainable promotion and development of energy and Hydropower in Nepal.

Chief Guest Hon'ble Minister also handed over the token of appreciation to all the contributors for the NGCCI Apartment.

Token of Appreciation was also presented to the following major sponsors in recognition of the kind gesture shown towards NGCCI for the event.

- s Himalayan Bank Ltd.
- s Civil Bank Ltd.

- s Mega Bank Ltd.
- s Nepal Investment Bank Ltd
- s Kumari Bank Ltd.

President Kakshapati presented token of appreciation to the speakers for the day.

Vice-President Kishore Raj Pandey delivering Vote of Thanks thanked all and concluded the Inauguration Ceremony of the 19th AGM of NGCCI. The AGM was followed by cocktail reception.

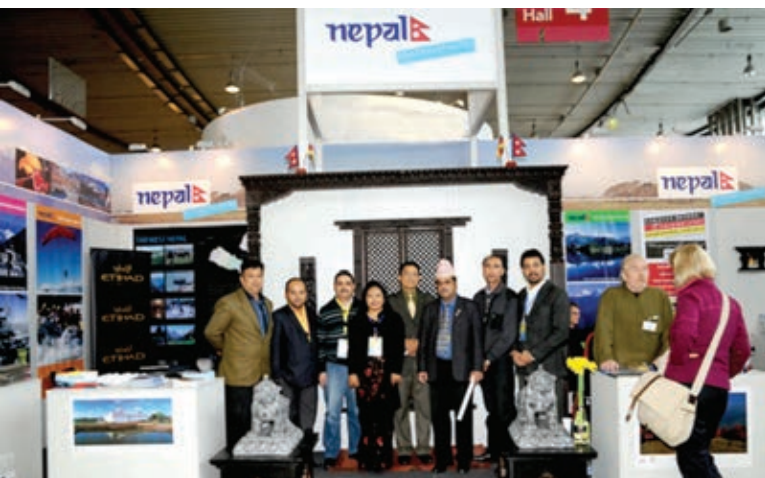
NGCCI Coordinated Nepal's participation at the Annual CMT International Tourism Fair, 2013 in Stuttgart, Germany



Nepal Stall at the CMT International Tourism Fair 2013 in Stuttgart, Germany

NGCCI coordinated country's participation in CMT 2013, the Europe's largest public exhibition for tourism and leisure beside caravan and motor in cooperation with Nepal Tourism Board (NTB) and Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) Nepal. The Fair was staged at the Stuttgart Trade Fair Centre, the new Landesmesse in Stuttgart Germany, from January 12- 20, 2013. The fair was inaugurated by Lord Mayor of Stuttgart Fritz Kuhn. The fair was participated by 1900 exhibitors from 100 different countries including Nepal.

Nepal Tourism Board along with Royal Mt. Trekking Pvt. Ltd., Jomsom Travels Pvt. Ltd, Nepal Trailblazer Trekking Pvt., Ltd, Nepal Social Treks and Expedition Pvt Ltd. and All Nepalese Tea and Coffee Centre Pvt. Ltd participated as exhibitors in the Nepal Stall.



Exhibitors at Nepal stand with NGCCI officials

Featured prominently at the entrance of Hall No 4 in Touristik Hall in front of partner country Slovakia, the most prominent hall at the prime location with two sides open, Nepal stall was frequented by hundreds of visitors because of its strategic location.



Nepal Stall with wooden door & crafts, Top Nepal Tower and stone lions at the entrance

The stand, nicely decorated with beautiful pictures of natural, cultural and adventurous tourism attraction of Nepal decorated in lively Nepalese look with wooden crafted doors and pillars, top Nepal Tower and two stone lions at the entrance attracted lot more visitors at the Nepal stall.

A special Nepal Tourism Event- was organized on January 15, 2013 at the ICS- Press Center in C 5.1 of the Trade Fair Centre, Stuttgart.

Addressing the press meet H.E. Suresh Prasad Pradhan, Ambassador of Nepal to Federal Republic of Germany, said that after restoration of peace Nepal has been successful in achieving the growing number of tourists from Germany and entire world. Representing from Nepal Tourism Board, Santosh Bikram Thapa, officer, made the remarks that in the year 2012 Nepal was visited by 24,575 German tourists which is 11.8% more compared to the year 2011. He further said that Nepal has been celebrating tourism decade till 2020 as announced in Vision 2020. With the successful completion of NTY 2011, VLY 2012 the year 2013 is celebrated as Karnali-Chisapani-Dhorpatan tourism year 2013.



Ambassador of Nepal to ER, Germany
H.E Suresh Pradhan addressing at the Nepal Tourism Event
in CMT 2013

Nepal has been recognized as must visit destination in the year 2013 by Lonely Planet. Nepal is offering two new trekking trails Great Himalayan Trail and Guerrilla Trail since the year 2012, Thapa said.

Welcoming the guests of the program, Saraswati Maharjan CEO of NGCCI said that Nepal has been participating in the fair for past 19 years and it has been encouraging

for the participants as the number of visitors has been increasing. She thanked Messe Stuttgart, the organizer and all the co-exhibitors and participants for making the event successful.

The Program was attended by around 50 National and International Journalists, Travel Tour Operators including representatives from CMT Messe. Nepalese exhibitors were also present at the Program. The program was followed by cocktail reception.

A token of appreciation was presented to H.E. Suresh Prasad Pradhan, Ambassador of Nepal to the Federal Republic of Germany, Ann-Katrin Bauknecht, Honorary Consul General of Nepal for Stuttgart and Representative from Messe Stuttgart

Nepal promotional collateral and souvenirs were widely distributed to all the participants at the program.

Participation in CMT 2013 was successful to promote Nepal and Nepalese Tourism. Nepal promotional collateral and souvenirs, display materials decorating the stall and special Nepal Tourism Event were able to promote and present Nepal as holiday-destination for the German as well as European market.

Besides, the major travel tour operators of Germany, other Countries have also shown interest in Nepalese tourism.



Exhibitors busy with visitors at Nepal Stand

The participants were able to promote business and happy by the positive response by the big number of visitors at Nepal Stand located at the most prominent location at the main entrance of the main Hall No. 4 Touristik Hall.



CEO Saraswati Maharjan presenting souvenir to Dr. Heiko Schmid,
Governor of Beberach, Germany at Nepal Stand

Governor of Beberach, Dr. Heiko Schmid and Mayor of Bad Schussenfried Achim Deinet, visited Nepal's stall amid their busy schedule. They spent more than 15 minutes in Nepal Stand.

They were warmly welcomed by CEO Saraswati Maharjan and all Exhibitors at the Nepal Stand. CEO Maharjan presented a souvenir from Nepal. We feel honored by their gracious presence at the Nepal Stall. Thanks to Helmut Lange and Anne Marie Lange from Beberach for their kind coordination to invite Dr. Schmid and Deinet at Nepal Stand.

NGCCI thanks the Contributors for NGCCI Apartment

In the year 2005, NGCCI succeeded in achieving an important asset of its own premises for its Secretariat at ACE Apartment in Naxal, Narayanchour. One of the most important step for the purchase of ACE apartment 101 was all the Executive Committee Members of NGCCI lend the interest free loan of Rs. 3.3 million. By this solidarity of the Executive Committee members, the chamber has its own secretariat.

We feel very proud to inform that, most of our Executives, who have provided the interest free loan 8 year ago have donated the loan amount to the chamber, which is a great initiative to reduce the loan burden of the chamber to quite extent. Besides, we also appreciate the kind gesture shown towards the chamber's initiative by the new members as well. NGCCI would like to thank all contributors for this remarkable support and contribution to the chamber.

Token of appreciation was presented by Hon'ble Finance Minister Barsha Man Pun at the Nineteenth AGM. The name of contributors is also engraved in the brass plate which is placed at the Chamber.



Once again, NGCCI extends gratitude to all contributors for the kind and magnanimous gestures shown towards the chamber.

FNCCI Award

On the occasion of 47th Annual General Meeting of FNCCI on April 10, 2013, FNCCI has awarded Nepal German Chamber of Commerce and Industry for its effort and contribution for the promotion and development of bilateral trade and industry between Nepal and Germany. Chairman of the Council of Ministers Khil Raj Regmi handed over the award to the General Secretary of NGCCI Anup Bahadur Malla. The Chamber shares the award with all valued Members, cooperation partners and all well wishers.



General Secretary Anup Malla receiving award from Chairman of the Council of Ministers Khil Raj Regmi

CONGRATULATIONS !!!



Anup Bahadur Malla
General Secretary

NGCCI would like to extend hearty congratulations to the General Secretary Anup Bahadur Malla for being elected as the President of Nepal Carpet Exporters' Association at the 8th AGM held on October 9, 2012.



Naresh Lal Shrestha
Executive Member

Likewise, the chamber would like to congratulate Executive Member Naresh Lal Shrestha on being elected as the President of Felt Industries Association of Nepal at the 4th AGM on December 16, 2012.



Binayak Shah
Founder CEO

It's the matter of pride for NGCCI by the election of founder CEO Binayak Shah, as the President of European Economic Chamber of Trade, Commerce & Industry Nepal at the 7th AGM held on February 12, 2013. The Chamber extends hearty congratulations to Shah.

NGCCI Business Visit to Drupa 2012

NGCCI organized NGCCI Business Visit to DRUPA Fair from May 1-8, 2012. The program was highly focused on Trade Fair visit and Business meetings.

Drupa is the largest printing equipment exhibition in the world, held every four years at Messe Düsseldorf, in Düsseldorf, Germany. Prepress and Print media (Software & Hardware), Print (Machines and Peripheral Equipment), Post press and Paper Converting (Machines and Peripheral Equipment), Paper and Substrates, Inks and Consumables, Components and Infrastructure, Services and Software are the products of Drupa 2012.



Delegates from Nepal with Honorary Consul General Ram Pratap Thapa & Messe official

NGCCI officials, Chairperson of the Trade Fair Committee, Naresh Lal Shrestha and Vice Chairperson Krishna Chanadra Kayestha along with 15 Member Delegates from Nepal's Printing Sector visited the Fair from May 1-8, 2012. The other members of the delegation were Anil Raj Shrestha, Executive Chairman, Format Printing Press, Shambhu Shrestha, CEO, Shrestha Amrit Traders Pvt. Ltd., Rajesh Shrestha, Managing Director, Shrestha Amrit Traders Pvt. Ltd., Madhav Bhattarai, Managing Director, Aroll Pvt. Ltd., Sundar Basnet, Director, Aroll Pvt. Ltd., Bhava Rajbhandari, Managing Director, Variety Printers Pvt. Ltd., Deergharaj Upadhyay, Proprietor, Siddha Baba Trader., Awadhesh Kumar Das, CEO, Ultimate Marketing Pvt. Ltd, Punya Prasad Lohani, Proprietor, P.U. Printers, Suman Shakya, CEO, Beesants Trading, Ashis Malla, Managing Director, Sai Buddha International, Kedar Lal Shrestha, Marketing Manager, New Pako Printers, Sudan Pradhan, Executive Director, Repro Vision Press Pvt. Ltd., Narayan Prasad Rimal,

Managing Director, National Printing Service and Arbindra Amatya, Managing Director, Matrix Printers Pvt. Ltd.



Naresh Lal Shrestha Chairperson of Trade Fair Committee presenting souvenir to Honorary Consul General of Nepal Ram Pratap Thapa

To welcome the visiting delegates, Ram Pratap Thapa Honorary Consul General of Nepal in Cologne, organized dinner programme at Budhha Eye Restaurant in Cologne on May 2, 2012.



Naresh Lal Shrestha Chairperson of Trade Fair Committee presenting souvenir to official of Messe Dusseldorf

The delegates were honored by the official welcoming by high officials of Messe Dusseldorf. Brief presentation and special welcome reception was also organized by Messe Dusseldorf on May 3. The officials expressed great happiness to welcome 1st ever big official delegation from Nepal to the Drupa Fair.

The delegates visited the Fair where they found impressive innovations in all printing processes, the suppliers and machinery manufacturers from upstream supplies, printing and further processing who jointly convinced visitors with workflow and production solutions and outstanding products. The dominating themes at drupa 2012 were automation, packaging printing, digital printing, hybrid technologies, web-to-print applications and environmentally sound printing.

NGCCI organized farewell reception to German Ambassador

To bid Farewell to H.E. Verena Gräfin von Roedern Ambassador of Federal Republic of Germany to Nepal, NGCCI organized a dinner reception on Monday, July 16, 2012 at Hotel Radisson, Kathmandu.

During the program, H.E. Roedern, expressed, "Nepal has lots of potentials which needs to be explored." President of NGCCI Gopal S.L. Kakshapati thanked H.E. Roedern for her continuous support to the chamber



Few words before leaving: Ambassador H.E. Verena Gräfin von Roedern Ambassador of Federal Republic of Germany to Nepal delivering few words during the farewell program



President Gopal S.L. Kakshapati presenting token of appreciation to H.E. Verena Gräfin von Roedern Ambassador of Federal Republic of Germany to Nepal

Officials from German Embassy and other German organizations, NGCCI Executives and Members were present at the program.

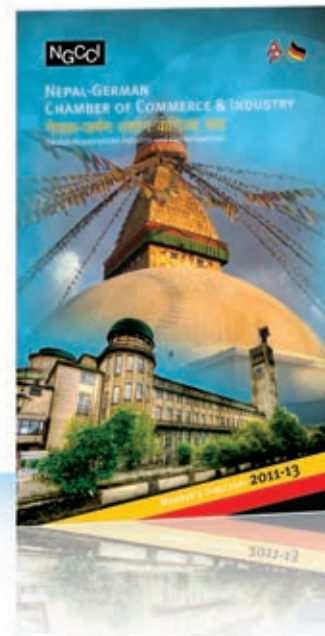
and its activities during her tenure. A token of appreciation was also presented to H.E. Roedern.

New NGCCI Members Directory

NGCCI has published the new NGCCI Member's Directory 2011-2013. In the scenario to foster bilateral economic cooperation, the directory aims to support entrepreneurs from Nepal and Germany in doing business in the respective countries. Therefore, valuable information for exporters, importers and investors are presented. Of course, the directory comprises as well the company's profiles of NGCCI Members and encourages interested German and Nepalese companies to contact our member companies in order to establish new business relations. We are convinced that the new edition of the Member's directory will contribute to intensify the Nepalese-German business relations.

We would like to thank all those who contributed in publishing this Directory. Our special thanks go to the Publication Committee and NGCCI Secretariat for their persisting efforts.

Any comments and suggestions for improvement of this Directory are highly appreciated and can be addressed directly to the NGCCI Secretariat.



German Ambassador Honored as Honorary President of NGCCI

NGCCI had brief introductory meeting with the New German Ambassador of the Federal Republic of Germany to Nepal H.E. Frank Meyke on October 8, 2012 at the German Embassy.

President Gopal S. L. Kakshapti introduced all Executive Board Members and briefed activities conducted by NGCCI and upcoming activities. He honored H.E. Meyke by offering an Honorary President Badge of NGCCI and urged H.E for his active involvement, advice and suggestions for the Chamber activities. He remarked that the German Embassy has been always supportive for NGCCI activities and added NGCCI has been working closely with German Embassy for dissemination of business information and promoting economic activities between Nepal and Germany.



The President and the NGCCI Board Members having meeting with the Ambassador

Brief profile of the German Ambassador to Nepal



H. E. Frank Meyke

the German Ambassador to Nepal

H. E. Frank Meyke is the new German Ambassador to Nepal since October 2012. Before coming to Nepal, he served as German Ambassador in Lusaka, Zambia from 2009 and from 2006 to 2009, he served as German Ambassador in Dhaka, Bangladesh.

Born on May 14, 1949 in Havelberg, Germany, he joined training for higher foreign services in 1977. He began his diplomatic career from German Embassy in Nairobi, Kenya in 1979. He returned to Germany and served in Federal Foreign Office in Bonn from 1982 to 1985. In continuation of his diplomatic career, he served as Deputy Head of Mission in Accra, Ghana, Dublin, Ireland, German Embassy in Wellington and as Consul General in Novosibirsk, Russia. Back to Germany again, he served at Federal Foreign Office in Berlin as the Head of Division from 2003 to 2006.

With his long experience in different countries, H. E. Meyke looks forward to maintain and strengthen the very good relations between Nepal and Germany



NGCCI President Gopal S.L. Kakshapati honoring H.E. Frank Meyke, German Ambassador to Nepal as an Honorary President of NGCCI

His Excellency thanked all Executive Board Members for the honor. H.E. Meyke, who was also in Bangladesh and Zambia before his assignment in Nepal was happy to share his experience on the role played by bilateral chambers for development cooperation. Further he suggested to link with the German Asia Pacific Business Association (OAV) in Hamburg. He expressed that he will be happy to work together for promoting bilateral trade and investment between Nepal and Germany.

Immediate Past President Rohini Thapaliya, Vice Presidents Kishore Raj Pandey and Senon Dorje Lama, Secretary Santosh C. Kunwar, Executive Members Chandra Prasad Dhakal and Naresh Lal Shrestha and CEO Saraswati Maharjan were also present at the meeting.

Welcome Meeting with H. E. Frank Meyke, Ambassador of F. R. Germany to Nepal



President Gopal S.L. Kakshapati & Executive Board members welcoming H.E. Frank Meyke, Ambassador of F.R. Germany to Nepal

H.E. Frank Meyke, Ambassador of F.R. Germany to Nepal visited NGCCI Secretariat on November 26, 2012. President Gopal S.L. Kakshapati and the NGCCI Board Members warmly received and welcomed H.E. Meyke at the Chamber in a traditional way offering garland.

President Gopal S.L. Kakshapati informed about the upcoming programs, CMT International Tourism Fair in Stuttgart, Germany and Domotex 2013 in January. He also informed about the candidate for new CIM Expert at NGCCI Mrs. Christine Falkenberg. He also briefed about Business Delegation to Germany and discussed possibilities for German Business Delegation to Nepal. HE also informed about the trade Fair focused program of the Chamber and briefed about the trade Fair visit program organized by NGCCI.

His Excellency, who is also the Honorary President of NGCCI, thanked all Executives for the warm welcome. He expressed happiness to work closely with NGCCI as both have the similar objective of fostering economic cooperation between Nepal and Germany. He added, the chamber is the good platform for economic discussion and can work together for various economic activities.

Immediate past President Rohini Thapaliya recalled the programs organized by NGCCI in cooperation with German Embassy. He also discussed about the potential



President Gopal S.L. Kakshapati offering garland to H.E. Frank Meyke

sectors. He further added we should work out integrated programs together to enhance mutual endeavours.

General Secretary Anup B Malla highlighted about carpet sector. He said, Carpet was the highest export product providing trade surplus to the country but now its export has decreased a lot. General Secretary Malla, who is also the President of Nepal Carpet Exporter's Association added, they are working hard to revive the export of carpet. He also informed that the Association has been taking part in Domotex Fair in Hannover, Germany for the promotion of Nepalese carpet since long time.

Vice President and Chairperson of the Tourism Committee Kishore Raj Pandey briefed about the tourism



NGCCI Executive Board during meeting with the Ambassador

scenario of Nepal. He informed about NGCCI initiatives participating in Tourism Fairs and organizing Delegation for promoting Nepalese Tourism in Germany.

Executive Member and Chairperson Trade Fair Committee Naresh Lal Shrestha highlighted on Trade Fairs participated by Nepalese companies in Germany. He also informed the German Ambassador about the problems faced by the Nepalese companies for participation in Trade Fairs in Messe Frankfurt due to Pakistani Agent and requested the German Ambassador to take some initiative for direct connection with the Messe Frankfurt.

Executive Member Herbert Wesely expressed that there is lot competition due to biggest exporters, Nepal has to do a lot for international business.

Ambassador Meyke appreciated the encouraging comments by all the Executives. Visa related issues and other matters of mutual interest were also discussed at the meeting.



Christine Falkenberg:

Expert for Economic Promotion at the Nepal-German Chamber of Commerce and Industry (NGCCI)

Christine Falkenberg, born in the German town of Fuerstenberg/Havel, has joined NGCCI as expert for economic promotion on February 6th, 2013 for two years.

This is her third assignment as private sector development consultant focusing on chambers and business associations. The Centre for International Migration and Development (CIM) in Frankfurt am Main has placed her at NGCCI as successor of Sebastian Metz.

In 2006 she started assignments as consultant for different German development cooperation organizations. From 2006 to 2010 she was assigned as technical advisor by former Deutscher Entwicklungsdienst gGmbH and consulted selected regional chambers of the Uzbek Chamber of Commerce and Industry. For sequa GmbH

she managed the project “Capacity Development of Business Membership Organizations in India”, a component of the “Umbrella Programme for the Promotion of MSME in India”, which is implemented by Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH in the period from 2011 to 2012.

Her education includes a Master in American studies, Slavic studies and East- and Southeast European history (Berlin, 1983), a postgraduate degree in system analysis and programming (Berlin, 1986), a Certificate in Commercial Instruction (Potsdam, 1997) and another Master in Public Management (Potsdam, 2006).

Prior to her study program in Public Management she had worked in the IT/software sector first in several national and international sales and marketing positions and afterwards as an entrepreneur. As entrepreneur she was also Chairperson of the Brandenburg Chapter of “Verband Deutscher Unternehmerinnen”.

Her expertise in enhancing chamber’s information, training and consultancy service portfolio on trade promotion and in up-scaling access to it, her working experience in Asia as well as her experience as entrepreneur and office bearer of a business association will be an asset for NGCCI’s efforts to promote trade and investment relations between Nepal and Germany.

Honorary Consul General in NGCCI

Honorary Consul General of Nepal Ram Pratap Thapa visited NGCCI Secretariat on Feb 12, 2013. During his visit a brief meeting was held with CEO Saraswati Maharjan and CIM Expert Christine Falkenburg. Honorary Consul General Thapa who is also the Honorary Representative of NGCCI showed keen interest in NGCCI activities. He extended his full support for NGCCI and its activities. Upcoming programs of NGCCI areas of mutual cooperation were discussed at the meeting. A token of appreciation was also presented during his visit.

Interns in NGCCI

Sagar Tamarakar, Graduate in Management from Hansraj College, University of Delhi, completed his Internship at NGCCI from December 2011 to May 2012.

Likewise, Saman Maharjan, pursuing his study in Management from Tribhuvan University completed his internship at NGCCI from June 2012 to October 2012

Both Interns were of great help to the Chamber as they assisted in research, publications and other activities. NGCCI wishes all the best for their success in coming days.

Economic Diplomacy between Nepal and Germany



*Gopal S.L. Kakshapati
President, NGCCI*

Nepal tied up the diplomatic relationship with Germany 55 years back in 1958. Since then the government of Nepal has appointed 5 Honorary Consul Generals in different cities beside own Embassy in Bonn and Berlin at present.

Three years after the establishment of the relationship in 1961 first technical assistance started with

Technical Training Institute at Thapathali and have continued since then in various areas contributing close to billion Euros. Finance Ministry of Nepal and Federal Ministry of Economic Cooperation and Development (BMZ) of Germany decide every two year for the further development of economic cooperation and one of the highlight is 70 MW Middle Marsyangdi Hydro Project.

The out come of such diplomatic relationship slowly diverse on bilateral trade besides confining to diplomatic relationship and Germany became the biggest market for Nepalese products dominating in textile particularly Carpets. It is noteworthy to mention here Germany is among the few countries Nepal has trade surplus except in the year 2007-08. In regards of tourism, German tourist arrival had reached nearly 45000 but decreased to 12000 in 2006 mainly due to the insurgency. Fortunately since last few years it is slowly increasing and has reached 24,575 in 2012.

FDI: In regards of FDI there are only 87 companies registered under the Ministry of Industry despite of many efforts and promotion from Nepalese side. This is the 16th position along with other countrys' investment in Nepal and 5th position in terms of highest investment standing.

NGCCI: As explained earlier, with the growing bilateral activities with Germany, Nepal German Chamber of Commerce of Industry was established in 1990, it is the first bilateral chamber in Nepal. The main objective of the chamber is for the development and enhancement of the economic activities between two countries providing various services in relating with economic issues for Nepalese and German business communities. Since the establishment, the chamber had organized numerous programs, projects, promotions including High Level Business Delegations in Germany, participating in various trade fairs and also coordinating Nepal's participation in Tourism Trade Fair CMT since 1994.

We have been closely working together with both Embassies in Nepal and Germany, Honorary Consul Generals, Developing Agencies like GIZ in Nepal. The experiences working with above mentioned institutions frankly had not been smooth sailing all the time. Most of the occasion we had accomplished our goals. But occasionally we had difficulties understanding each other

and did not achieved any outcome as expected from both sides. In other word, we had failed to accomplish the economic diplomacy occasionally.

The most important we have to note is our counterpart the government of Germany has keen interest and policy with Nepal for establishment of peace and stability, multi party democracy, promotion of human rights, alleviations of poverty, consolidation of good governance and sound socio-economic structure. We know very well what is the existing status of all mentioned earlier. In our last visit to Germany with High Level Business Delegation led by then Hon'ble Minister of Commerce Mr. Lekh Raj Bhatta had numbers of meeting with parliamentarian. Over the economic discussion with the German Parliamentarians, they clearly indicated first to improve in the areas as per their interest and policies determined for Nepal. After improving positively the German government is keen to extend the improvements of economic diplomacy between Nepal with Germany. Thus the development of the economic diplomacy does not confine within economic agenda but has direct impact on political situations and relation. If Nepal is to improve or develop the economic diplomacy with Germany, we are bound to change our prevailing political socio scenario where private sector have very little role to play.

*The million-dollar question is has our policy makers ever considered and showed their interest or commitments to address their views. The growth will be stagnant until we progress and our counterpart is convinced.

*Due to security reasons there is a hesitance to recommend for FDI, by foreign Government to any investor. A wrong impression of Middle Marsyangdi is still fresh with German government and investors.

Recommendations:

Nepalese government must establish frequent dialogue with counterpart in all levels including bureaucrat's levels

Diplomatic missions like Embassy must strengthen and give priority to economic agenda and establish strong economic desk.

Honorary Consul Generals must be well informed, briefed and involve them to enhance the economic diplomacy.

Ministry of Finance and Foreign Affairs must establish cordial relationship with bi-lateral chambers and exchange the views in economic agendas

Nepal Investment Board must involve bi-lateral chambers in the plans and programs

In conclusion, I would like to appeal the policy makers, government and all the related institutions to work towards in house order in Nepal by establishing peace, harmony and security in the country to establish strong economic diplomacy with any country.

Nepal's Trade Development

Nepal's trade situation has continued the trend of trade deficit. The trade balance remained strongly in a deficit (424 bn NPR) the deficit growth rate has increased by 25.3 percent – in comparison to 5.8 percent in FY 2010/11. The huge trade deficit has negative consequences for the Nepalese economy and is a matter of utmost importance to be managed by the Nepalese government. In FY 2009/10, due to slightly increase exports, sharply increasing imports and a decelerating growth rate of remittances – which account for around 20 percent of GDP and are transferred by an increasing number of 1.5 to 2 million Nepalese working in foreign countries – Nepal has seen for its first time a current account deficit of -2.4 percent of GDP. In FY 2011/12, the current account balance has improved and remained at 2.0 percent.

The volatility of major international commodity prices such as petrol / gas, iron, gold and agricultural products which accounts for an important part of the total imports highly influences the total import value. Additionally, the high dependency on remittances for the Nepalese economy has to be reconsidered by all economic stakeholders taking into consideration the social unrests in the Middle East where the majority of Nepalese workers migrate to and the significant direct consequences for Nepal in case of economic slowdown or policy changes in the host countries.

In FY 2011/12, the growth rate of exports increased by 14.8 percent to 74.09 bn NRP in comparison to FY 2010/11. The raise in Nepalese exports can be attributed to the worldwide economic recovery and the thereof improved income situation of the private households as Nepal exports mostly consumer goods bought by private households. Exports to major trading partners such as India (+18.8%), USA (+26.4%), Japan (+17.6%), Germany (+7.1%), China (+32.1%) and UK (+5.2%) increased in FY 2011/12 in comparison to the previous year.

Nepalese imports amounts to 498.16 bn NRP which is an increase by 25.3 percent in comparison to the previous year. Major trading partners such as India (+24%), China (+15.9%), Germany (+10.3%), UAE (+139%) and USA (+24.3%) saw exceptional growth rates, clearly above average. Imports from Turkey (-77.28%), Switzerland (-22.07%), Egypt (-40.07%) and Singapore (-20.94) amongst others declined considerably.

Trade concentration with India reached in FY 2011/12 its peak, accounting for about two-thirds of Nepal's total

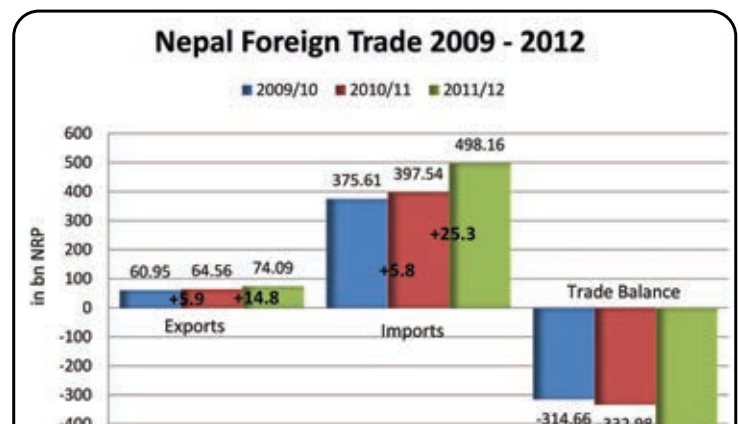
trade. The trade deficit between the two countries amounts to 270.41 bn NRP.

Regarding the development of major export products in FY 2011/12 Nepal's important carpet industry could raise its exports by 22.0 percent up to 6 bn NRP. Agricultural export products such as export of tea slightly increased by 1.5 percent but the export of lentils fell by 20 percent. There is huge increase in export of cardamom and ginger by 71.1 percent and 80 percent respectively. Export products of the manufacturing industry such as zinc sheets and wires, metal tubes and jute sacks saw an increase by 9.6%, 38.3%, 43.3% and 10.9% respectively.

According to FHAN Exports of Nepali handicraft products (metal and woodcraft) observed an increase of 11.5 per cent, exports of Nepali paper and paper products gained by 47.2 per cent. Similarly, export of readymade garments and silver jewellery increased by 30.8 per cent and 21.5 per cent respectively, as compared to the previous fiscal year.

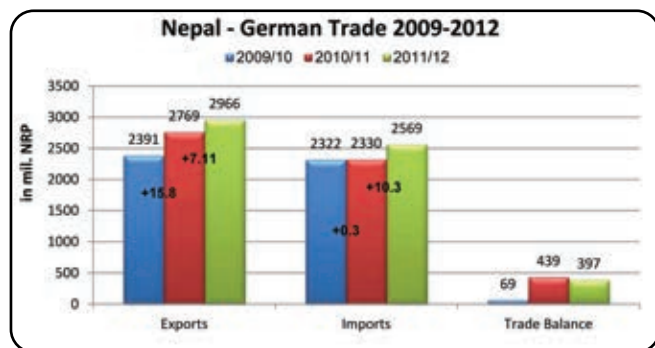
Exports of pashmina, which is another major exportable product of the country, also observed an increment of 42.1 per cent in fiscal year 2011/12. With regular branding and marketing of Nepali pashmina, 'Chyangra Pashmina' has successfully become an internationally registered trademark in many countries and the process going on to register the brand in other potential countries.

According to Nepal Pashmina Industries Association (NPIA), registration of the 'Chyangra Pashmina' trademark in the international market has revived the goodwill of the Nepali pashmina brand.



Nepal-German Trade 2011/2012

Nepal-German trade relations improved in FY 2011/12. The bilateral trade volume increased by 8.55 percent to 5.5 bn NRP. The Nepal-German trade relations are among the very few with a positive trade balance for Nepal (after Bangladesh and USA). In comparison to the previous year the trade balance has decreased to 397 million NRP. This is primarily a result of the slight positive development of Nepalese exports to Germany which rose by 7.1 percent to 3 bn NRP and imports increased from Germany to 2.6 bn NRP (+10.3%). Germany is one of the biggest export markets for Nepal and ranked on 3th place after India and USA.



Exports to Germany

Traditionally, textile products such as carpets, apparels & accessories, pashminas (woollen shawls) and felt products are the major export goods constituting about 90 percent of the total Nepalese exports to Germany. The carpet exports alone account for almost 60 percent of total exports. Germany is the second biggest export market for Nepalese carpet producers after USA. In FY 2011/12, the carpet exports climbed by 22 percent in value but decreased by 17.9 percent in quantity (sqm). A considerable raise experienced in the exports of apparels & accessories which grew by 10.8 percent in comparison to the previous year.

Agricultural goods primarily tea and also increasingly coffee, figure a continuously bigger part of the total exports to Germany and account meanwhile for 4.3 percent of total exports to Germany. In FY 2011/12, tea exports to Germany increased by 36 percent to 64.7 mill. NRP. That makes Germany the second biggest export market for Nepalese (orthodox) tea, after India.

Exports to Germany in FY 2011/12

Product Groups	Value in '000 NRP	% of total Exports	Change to previous year
Food (+Tobacco)	68,109	2.3	0.79
Mineral products	15	0.0	114.29
Chemical, pharmaceutical substances and plastic	8,602	0.3	63.72
Leather and articles thereof	2,592	0.1	188.00
Wood and articles of wood (+Paper)	49,020	1.7	10.65
Textiles, clothings and accessories	2,583,512	87.1	3.94
Glass, ceramics, stones and articles thereof	16,398	0.6	11.91
Metals and articles thereof	3,850	0.1	21.22
Machinery and electrical equipment	53,363	1.8	15.48
Vehicles, etc.	95,004	3.2	755.12
Others (medical devices, furniture, artwork etc.)	85,426	2.9	(5.27)
Total	2,965,891	100.0	7.11

Source: Trade and Export Promotion Centre

Imports from Germany

Although total Nepalese imports from Germany experienced increase of 9.31% to 2.6bn NRP in FY 2011/12 in comparison to previous year considerable changes between the product groups have taken place.

Machineries and equipments (esp. for the food processing, printing and textile industry) were, traditionally, the major import goods from Germany amounting for more than 50 percent of total imports. In FY 2011/12, this product group remained almost constant to 883.7 mill. NRP accounting for only 34.4 percent of total imports. On the other hand, imports of vehicles etc. from Germany have declined by -0.6 percent. Medical and laboratory devices also remained constant accounting now for around 9.5 percent of total imports. Imports of food products inclined by 0.4 percent in FY 2011/12 in comparison to previous year.

Imports from Germany in FY 2011/12

Product Groups	Value in '000 NRP	% of total Exports	Change to previous year
Food (+Tobacco)	87,608	3.4	43.1
Mineral products	20,758	0.8	452.7
Chemical, pharmaceutical substances and plastic	244,585	9.5	-0.3
Leather and articles thereof	28,937	1.1	2331.7
Wood and articles of wood (+Paper)	69,390	2.7	23.3
Textiles, clothings and accessories	21,285	0.8	-20.4
Glass, ceramics, stones and articles thereof	2,889	0.1	-50.7
Metals and articles thereof	522,095	20.3	100.3
Machinery and electrical equipment	883,785	34.4	-1.6
Vehicles, etc.	118,837	4.6	-60.6
Others (medical devices, furniture, artwork etc.)	569,121	22.2	21.3
Total	2,569,290	100.0	10.3

Source: Trade and Export Promotion Centre

Nepal's Trade Development in Eleven months of FY 2012 / 13

According to TEPC during the first 11 months of FY 2012/13, the country's export increased by 1.9 % to Rs. 69.30 billion and import surged by 22.7 % to Rs. 549.63 billion. The total trade deficit surged by 26.5 percent to stand at Rs. 480.33 billion as compared to the same period last year. During the review period, export of traditional products like woollen carpets and readymade garments were decreased whereas the data showed some improvement in export of agro products.

Earlier, carpets and readymade garments were the leaders in exports, but due to their inability to compete in the international market, the exports nosedived. Exports of these products until a few years ago used to cross Rs 10 billion each. But the situation has worsened to such an extent that as of the 11th month of the last fiscal year, readymade garment exports stood at Rs 3.33 billion, and carpet exports at Rs 5.1 billion which is decrease by 16.3 % and 13 % respectively compared to the same period last fiscal year according to the TEPC statistics. "

According to Carpet Exporter's Association, increased cost of production and tough competition in the international market, inadequate publicity and labour shortages are the major factors behind the fall in capet exports. Along with collective trademark, the industry also needs proper cash incentive to gain market competitiveness. Nepali hand knotted carpet are sold in the international market with a trade name 'Original Nepal' but it has still not received any

authentication due to which the product is being duplicated by different countries and are sold at 30 per cent below Nepali hand knotted carpet's price.

During the review period, the data showed substantial increase in export of ginger by 208%, medicinal herbs by 56%, tube, pipes, hollow profiles of iron and steel by 54% and meat by 97%. Export of tea, cardamom, lentils, handicrafts, hides and skins, jute bags and sacks, wire and iron observed an increment by 28%, 7%, 19%, 16%, 22%, 10%, 16% respectively. Meanwhile, export of nepali paper products, pashmina, vegetable fats and oil, flat rolled product of iron and non alloy steel decreased by 11.3%, 6.8%, 43.1% and 63.4% respectively.

Total imports surged in the review period mainly due to the rapid increase in imports of petroleum products, vehicles and spare parts, cement, rice and other machinery and parts, telecommunication equipment parts, silver, readymade garments, pipe and pipe fittings, chemical fertilizers among others.

Petroleum imports are the biggest contributors to the country's trade deficit. Fuel imports alone amounted to more than Rs 100 billion in the 11 months, according to the TEPC. As a majority of the imported products from petroleum to raw materials—are the necessities, there is little scope for reducing the trade deficit in the near future. During 11 months of FY 2012/13 due to high growth of imports compared to exports, the ratio of export to import declined to 1:7.9 % from 1:6.6 % a year ago.

!! Om Sri Sai Ram !!



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EU stands ready to support developing countries realize the benefits of a WTO Trade Facilitation Agreement

Development Commissioner Andris Piebalgs and Trade Commissioner Karel De Gucht have joined forces to help secure a WTO Trade Facilitation Agreement as part of global efforts to increase trade's contribution to development. The EU's support responds to demands from Least-Developed Countries (LDCs) for help to make the most of the deal, which could be agreed at the WTO's 9th Ministerial Conference in December 2013.

"I see only good opportunities", said EU Trade Commissioner Karel De Gucht. "Trade facilitation is about better customs procedures, cutting red tape, fighting corruption, and cutting costs for business. Cutting the cost of trade by just 1% would increase worldwide income by over €30 billion and two thirds of this would go to developing countries. Getting agreement in the WTO on trade facilitation would also send a powerful signal about the strength of the multilateral trade system and its ability to produce tangible results for the international community."

Development Commissioner Andris Piebalgs added, "Making it easier and cheaper to trade will help developing countries to better integrate in regional and global trade system. This will contribute to facilitate trade development and diversification, enhance job-creation and the wider sharing of the benefits of international trade. Reducing trade costs effectively require targeting of the binding constraints and proper sequencing of reforms. I therefore invite our partners to formulate trade facilitation plans with clear, specific and targeted requests for support. Within its overall Aid for Trade commitments, the EU stands ready to contribute its fair share and provide continued and substantial support for trade facilitation. "

Trade facilitation refers to measures aimed at simplifying, modernising and harmonising merchandise import, improving tax collection at the border, export and transit procedures, especially customs requirements. Possible measures include simplifying rules, reducing the number of and standardising custom forms, and computerisation. The WTO Trade Facilitation Agreement could create an international framework for reforms. The EU hopes that such a deal could be adopted at the WTO's 9th Ministerial Conference in Bali, Indonesia on 3-6 December 2013.

EU has started working on the allocation of its development aid for the period 2014-2020, time is ripe for our partners to reflect about their trade needs in their priorities with the EU.

BACKGROUND

Today, there is a yawning gap between developed and developing countries when it comes to border procedures. On average, OECD countries demand five documents at customs and it takes them 10 days to clear goods at a cost of about €735 per container. In contrast, African countries require on average twice as many documents, up to 35 days to clear exports and 44 days to clear imports, at an average cost per container of €1,285 for exports and €1,535 for imports. The OECD estimates that reducing global trade costs by 1% would increase world-wide income by more than USD 40 billion, 65% of which would go to developing countries.

Several developing countries have already carried out reforms. For a relatively modest investment of about €2-8 million, the benefits can be huge. According to the 2011 Global Aid for Trade Review, customs reform in Cameroon increased revenues by 12%; in Mozambique the figure was 50% in two years despite big tariff cuts. In Mozambique goods now clear customs in two to five days compared to 30 days before. In Sub-Saharan Africa cutting time spent at the border by 5% could achieve a 10% increase in formal intra-regional trade and revenue losses from inefficient border procedures are put at over 5% of GDP.

The cost of implementing trade facilitation reforms is relatively modest, though costs will vary from country to country. The World Bank has found country costs ranging from \$3 to \$11 million and OECD from \$3.5 to \$19.7 million.

Trade facilitation falls under Aid for Trade, which covers all financing for trade or trade-related activities. The EU and its Member States are the largest provider of Aid for Trade in the world, despite the current economic crisis. In 2010, they accounted for around a third of the total in committing some €10.7 billion. In the context of the existing Multiannual Financial Framework, and as part of their 2007 Aid for Trade Strategy and G20 commitment, EU and its Member States have made commitments that Aid for Trade would be maintained beyond 2011 at levels that, at least, reflect the average of the years 2006-2008, and that more resources should be directed towards LDCs. The EU and its Member States have committed themselves to together spend €2 billion a year on Trade-Related Assistance by 2010, with €1 billion from Member States and €1 billion from the EU. Between 2007 and 2010, the EU provided on average €70 million of trade facilitation support every year. Average Member State contributions raised the figure to €125 million per year.

Source: EU Trade News: [www. http://trade.ec.europa.eu](http://trade.ec.europa.eu)

Export Sector Presentation: Medical and Aromatic Plants and Spices

Nepal's business potentials

The Himalayan region is considered to be a unique storehouse of medicinal and aromatic plants (MAPs). Due to its unique geography and varied agro-climatic environment Nepal possesses tremendous resources of medicinal plants and thereof extracted essential oils. There are approximately 1,500 plant species used for medicinal, aromatic and religious purposes by indigenous people in Nepal. Most of these species are found at higher geographical altitudes but also the Terai region (bordering to India) dispose about a high biodiversity. A larger number of populations are traditionally engaged in conservation, cultivation and collections of MAPs and earn their livelihood through it.

Nepalese MAPs sector is low industrialized and a considerable proportion of business potentials remain unexplored: approximately only 10 percent of herbs are processed or turned into final products in Nepal. The country's high biodiversity combined with the ancient knowledge and long tradition of Ayurveda offer a vast range of new business activities such as health tourism and production of ayurvedic pharmaceutical products. Besides, the saps and essential oils extracted from different plants can be used as ingredients for producing various consumer products such as cosmetics, fragrances and food products.

Nepal exports an estimated 6,000 tonnes of herbal products annually. The sector has an investment base of around Rs 15 billion. India, China, Singapore, Germany,



France, Italy and Czech Republic are the main importers of Nepali medicinal herbs. The sector provides around 1.4 million jobs.

Total exports of MAPs in FY 2011/12 were about 805 million NRP. Export of MAPs are on an upward trend due to promotion of organic products and growing attraction for commercial farming. There has been a sharp rise in demand in the international market for MAPs which have been placed high on the list of exportable goods. According to the Trade and Export Promotion Centre (TEPC), exports of medicinal herbs almost doubled during the first seven months of FY 2012/2013 to Rs 989.79 million year on year as exports during all of the last fiscal year amounted to Rs 805.37 million.

According to the Nepal Herbs and Herbal Producers' Association (NHHPA), manufacturers have been showing increasing inclination to obtain organic certification along with a rise in commercial farming. Commercial farming is becoming more popular mainly in the Tarai region and Western Nepal.

The agricultural sector has traditionally a very important role within the Nepalese economy: the sector contributes





to more than 35 percent of the gross domestic product (GDP), employs more than 74 percent of the national labor force and has a share of over 25 percent to the total Nepalese exports. It is expected that the agricultural sector increased notably its production in FY 2011/12 mainly due to favorable weather conditions, an intensive use of fertilizer and the adoption of more productive varieties.

As mentioned in the previous edition of NGCCI News, during the past years, the cultivation of tea, coffee and organic products expanded significantly and increased continuously its export volume. The cultivation and export of spices (especially ginger and large cardamom) and MAPs has developed quite impressively and became a major export item for Nepal.

Various government policies aim to strengthen the development of the agricultural sector and its export activities, considering the broad positive impacts of this sector in terms of employment, income generation especially for deprived social groups and poverty alleviation. The Nepal Trade Integration Strategy (NTIS) 2010, a multi-donor supported capacity development action plan with short- to medium-term priorities in order to induce an export-enhancing business environment, contains market potential analyses for 19 selected export goods and services. Among these products, of which seven products are related to the agro and food industry, medicinal plants, large cardamom and ginger are rated as high and medium export potential products. Furthermore, the Trade Policy 2009 as well as the Industrial Policy 2010 stated the Ayurveda and spices sector as a priority sector for the promotion of industrial activity and trade. Consequently, technology and expertise of foreign companies could be effectively employed to

develop these profitable agro and forest-based industries in Nepal.

Some details about the production of large cardamom and ginger in Nepal:

According to Large Cardamom Entrepreneurs' Association of Nepal, annual production of large cardamom is 5.51 million kg from the production area of 12,574 hectares in 2011/2012. The total export reached to 5.31 million kg with export value of Rs. 3.49 billion in 2011/2012. Though it is cultivated in nearly 40 districts of mid hill region, 97 per cent of large cardamom cultivation is, however, concentrated in seven districts of Eastern Development Region — Taplejung, Panchthar, Ilam, Dhankuta, Bhojpur, Terhathum and Sankhuwasabha, according to production statistics.

According to Food and Agriculture Organization (FAO), Nepal is the third largest producer of ginger after China and India in 2011 but organised value chain development will help it become the topmost producer. The country produced 216.28 million kg of ginger in 2011. The production of ginger is concentrated in Nepal's hill region. Ilam, Palpa, Salyan, Doti, Morang, Kailali, Surkhet and Syangja are the major ginger producing districts. The export of ginger in the year 2011/2012 was 23.94 million kg with export value of Rs. 507.59 million.

Although not being focus of this edition, it is important to mention in this context that the availability of varied climatic conditions and inexpensive labour provide Nepal a comparative advantage to produce flower and flower seeds at low cost. This sector has increased considerably during the past years its activities and exports its products to Europe, USA, Gulf countries, Japan and China. Besides, Nepal is endowed with good ecological conditions



for the cultivation of a variety of fruits. Various opportunities exist for the setting up of industries to process fruits for sale in export markets as fruit juices and squash, jams etc.

Relevant organizations for the ayurvedic and agro industries in Nepal are the Ministry of Agricultural Development of Nepal (www.moad.gov.np), the Agro Enterprise Centre of the Federation of Nepalese Chambers of Commerce and Industry (www.aec-fncci.org) and the International Centre for Integrated Mountain Development (www.icimod.org).

Export Market Presentation: EU and Germany

The following information aims to give the reader a first overview about the European spices and herbs market, with a focus on the German market. It is understood that further research needs to be done by the entrepreneur himself in order to explore market possibilities, to find business partners and to export to the European market. *For doing so, interested entrepreneurs find internet research sources and business contacts in the last chapter of the newsletter.* An important source of information is the database of the Centre for the Promotion of Imports from Developing Countries (CBI, www.cbi.eu) and the Export Helpdesk of the European Commission (www.exporthelp.europa.eu). The European Commission has launched the new version of Export Helpdesk which is free online service and a one-stop-shop to explain to businesses in developing countries regarding EU requirements, taxes, tariffs, preferential arrangements, rules of origin and statistics applying to their case.

Spices and Herbs

The popularity and use of spices and herbs vary considerably within the EU since every region has its own food habits, dishes and tastes. Moreover, EU-countries differ notably in their economic constitutions and regarding the availability of a processing industry which leads to a very varied quantitative consumption and consumption patterns of spices and herbs within the EU.

The European market is still one of the most attractive markets for spices and herbs. There is a strong demand for suppliers that are able to deliver high quality and processed spices and herbs.

CBI states that the total EU imports of spices and herbs

reached 1.6 billion Euro in 2011 and in volume terms, to around 390 thousand tonnes. Imports from Developing countries is increasing in an average of 13% per year amounting to 875 million Euro, whereas overall imports increased by an average of 12%. Largest EU markets are the Germany, Netherlands, UK and France, accounting for 56 percent of the total EU market. The largest part of imports from Developing countries still consists of unprocessed (i.e. low value) spices and herbs. However, there is a strong demand for supplies of value added products.

With a share of 25 percent of total EU imports of spices and herbs from Developing countries, pepper is the largest product group imported, followed by paprika, chillies and all spices (17%) are the most important products from Developing countries.

The European spices and herbs market is highly competitive and its major competitive issues are quality and consistency of quality, followed by strong research and development, in order to provide innovation and a variety of flavors. Highly linked with the quality concerns is the matter of traceability which is for producers in developing countries a crucial requirement in order to maintain the business relations with their European partners. The emphasis on quality has led to a higher degree of customer loyalty and long-term business relations which makes it more difficult for newcomers to find business partners and to enter on the market. Given the





supermarket chains offer only a very limited range of organic spices and herbs. Exporters from developing countries need to keep an eye on these changes. Adapting their product portfolio and targeting the right market can be essential in the EU.

Due to climatic conditions and high labor costs Europe is generally a minor producer of spices and herbs. Commonly grown herbs in the EU countries are: basil,

bay leaves, celery leaves, chives, coriander, dill tips, chervil, juniper, marjoram, oregano, parsley, rosemary, sage, savory, tarragon, thyme and watercress. The largest EU producers are Germany, Austria, Bulgaria, Spain, Poland and Hungary. France, Italy and Greece are important producers of dried herbs, although there is a low consumption of dried herbs in those countries. In 2010 production of spices amounted to 113 thousand tones.

importance of quality, new suppliers aiming to penetrate the European and especially the German market are advised to focus on value-added raw material: innovative, standardized, clean and high-quality raw material.

In terms of market segmentation, the major end-users of spices and herbs can be divided into three end user segments. In almost all EU countries, the largest proportion, being around 55 to 60 percent – and in some countries even more – of the total consumption of spices and herbs, is used by the industrial sector. The biggest industrial consumers of spices and herbs are the meat industry, the food-processing industry, (like sauces, soups etc.), bakery goods and other prepared convenience food and non-food industries like pharmaceutical and perfumery where spices and herbs are mainly used for the production of essential oils. The retail sector consumes around 30 to 35 percent and the catering sector (e.g. restaurants, canteens etc.) around 10 to 15 percent. It can be observed that in most markets, the market allocation is moving towards higher relative usage by the industrial sector, reflecting the growing popularity of ready-to-use food products as Europeans spend less time for the preparation of a full meal and consequently, so-called convenience meals are gaining more and more market shares.

Despite the relatively small impact of the economic recession, the spice and herb market is constantly changing. Product quality and variety have become major focuses of the EU food industry, making it essential for suppliers of spices and herbs to follow these trends. As a result of internationalization and the large number of immigrants, consumers increasingly adopt eating and cooking habits which were once considered foreign.

In recent years, increased consumer awareness of healthy lifestyles and sustainability issues has positively influenced the demand for organic and fair trade products. Additionally, until now, the mainstream retail market for organic spices and herbs still remains relatively small as

INFOBOX: Trade Channels

Spices and herbs usually share the same trade structure and distribution channels. Very few traders deal exclusively in either spices or herbs. The bulk of the trade enters the EU through a small number of major brokers and traders/importers. Around 85 percent of the spices and herbs are imported in dried and crude form; processing occurs after importation by the companies which are familiar with the market trends, tastes and needs.

Traditionally, the spices and herbs trade channels consisted of importers, brokers, agents, grinders, blenders and processors, each having their specific functions. Nowadays, many of them have become multifunctional and their roles overlap. Different types of trading activity are often carried out at the same time within one company. For more information about the role of the different trade channels please have also a look in the previous editions of NGCCI News.

In recent years, direct trade between medium-sized and large producers/exporters in developing countries and grinders/processors in consuming markets has become more prevalent. Both importers and processors increasingly move away from dealing with many small growers, choosing instead to deal with whoever combines high quality, high volume and consistent products.

Medicinal and Aromatic Plants

Although the EU is one of the biggest importers of medicinal and aromatic plants Nepalese exports to the EU still remains minimal. A look on the statistics about the European pharmaceutical market reveals that the EU accounts for 31 percent of pharmaceutical sales worldwide and 36 percent of production of pharmaceuticals. As MAPs are increasingly demanded as ingredients for pharmaceutical products and also the production of herbal medicine itself gains momentum, it becomes clear what business potentials the European market offers for Nepalese entrepreneurs.

According to CBI statistics, the EU, which is responsible for one third of annual global MAPs imports, imported in 2011 MAPs amounting to 485 million Euro (174 thousand tonnes). The leading EU importers are Germany (35% of total imports), France (10%) and Spain (10%). Other emerging importers of MAPs are the Netherlands, UK, Switzerland, Czech Republic and Hungary. Imports from developing countries account for 45 percent of total imports and are increasing faster than overall imports. Germany with its large extraction industry and trade sector is the main market. In Germany demand for MAPs is expected to increase to 110 million Euro in 2014. Germany is the main point of entry for MAPs from developing countries, where they account for 50 percent of imports. Germany plays also a key role in distributing MAPs and processed products such as saps and extracts worldwide due to its outstanding position in the international trade business.

The major part of MAPs imports is still used by the medicinal/pharmaceutical industry followed by the cosmetic and (functional) food producing industries. Around 2,000 species are used commercially for medicinal purposes. In the medicinal sector MAPs are mainly used in cough and cold, digestives and skin products.

As for many other agricultural products processing of MAPs generally takes place in the EU. It is here where Nepalese companies should intensify their business activities in order to generate a larger part of the total value addition in Nepal. Nevertheless, in order to build up a processing industry, entrepreneurs need considerable financial resources, adequate technology and know-how as well as the knowledge to identify and meet international market trends.

The positive development of the demand of MAPs is further supported by various market trends. European



societies experience strong socio-economic changes such as ageing populations which increase the demand for pharmaceutical products. Furthermore, European societies change their awareness towards health care and adopt healthier life styles which increase the expenditures in pharmaceutical products and also increase their interest on alternative medical/pharmaceutical products. Pharmaceutical but also cosmetic companies invest huge amounts in research and development of new products and are becoming more interested to launch “nature-based” products in order to increase the product’s efficiency and to meet up-coming consumption trends. Nevertheless, a decisive factor is as well the overall development of the public health sector.

Regarding the production of MAPs for pharmaceutical products in the EU it can be observed that the number of species cultivated commercially and the total area of cultivation is expanding. About 70 MAPs are cultivated in Germany on around 10 thousand hectares. Besides the production of cultivated plants, wild-collection remains important, especially in Eastern European countries like Czech Republic, Romania, Bulgaria, Poland and Hungary. After all, a vast of tropical and subtropical plant species is not produced in the EU, due to climatic reasons.

As the European pharmaceutical market is very strictly supervised (EU herbal medicine legislation) and highly dominated by big multinational companies, foreign entrepreneurs have always to keep in mind that the introduction of new medicinal products or even of new MAPs is extremely time-consuming. European demand focuses typically on well-known MAPs, specially those used in Western herbal medicine. There is, however some demand for less common (but not new unknown) species with interesting active properties, technical documentation (as required by the World Health Organization and the European Medicines Agency) and the documented history of use. This demand is even stronger for supplements.

Potential of Ayurveda- Herbal Industry in Nepal



Dr. Rishi Ram Koirala M.D. Ayurveda
Medical Director

Ayurveda Health Home, Nepal-German Joint Venture
President, Ayurveda Doctors' Association-Nepal,
Vice-Chairman, Nepal Health Research Council, Nepal

The scope of herbal based health products, cosmetics, toiletries or food products becoming so popular that the coming years are more challenging as well as full of opportunity. Every year demand is increasing and the scale import volume from foreign countries especially from India is day by day increasing. Almost 90% of country demand is supplied from India. The irony is this that many raw herbs are exporting legal or illegal way to India, China and other countries in very low prices. The demand of supplying of raw herbs is also increasing and many herbs are already extinct and many of them are endangered also.

Two percent of global bio-diversity is in Nepal. Nepal is still rich in natural bio-diversity. The terrine of terai to alpine mountain has given special environmental ecosystem. There are many herbs which are unique and special and available only in Nepal. The climatic uniqueness is another special feature of Nepal.

Eighty percent populations in rural area are depending on these natural sources and more than 80% global population still depends on these resources as medicine or different form of uses.

Protection, preservation and eco-friendly and sustainable use of these natural resources is a serious concern. Demand and supply from different corner and over extraction or misuses of resources is making country in real disaster and coming years are more and more difficult if the proper measures not applied on time.

Nepal is rich in medical knowledge diversity. There are more than 400,000 traditional medical healer or resource

holders, more than 4,500 handwritten ancient ayurvedic texts and more than 15,000 thousands recipes in practice since time immemorial.

World Trade Organizations, Trade related Intellectual Property Rights, World Health Organization and international, regional regimens are becoming more and more quality, safety, effective concerned. Good Manufacturing Practices (GMP) is compulsory and this is serious issue for every consumers. So, non bias treaty of international bindings and as signatory of international laws, country is not allowed to produce quality less health products. Preparedness is so weak, and all concerned industries are seems unaware about these issues.

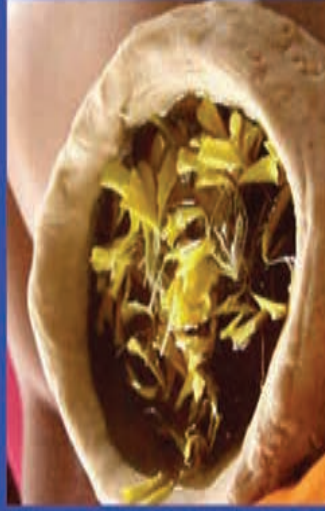
Range of Herbal/Ayurveda Products in the market are in different forms like: Ayurveda Medicines, Herbal Cosmetics, Foods and Food additive, Herbal Drinks, Infusions and Herbal Teas, Health Supplements, Herbal Veterinary Products, Agriculture Products, Toiletries, Aromas, Incenses, Perfumes etc.

The legend of cultural medical knowledge, richness of natural bio-diversity, national and international demand of natural health products and dependence of rural community on these resources verifies the potential scope of Herbal Industry in Nepal. Financial and technical crunch is the barrier of the country. Any international entrepreneur or industry, or institution who is interested to invest or provide technical support will be very helpful for the individual as well as for the nation.



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*Nepal-German Joint Venture
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Email: ahouse7@gmail.com
aphouse@wlink.com.np
alpinepashmina@gmail.com

<http://www.alpinepashmina.com>

Six New Companies have enrolled NGCCI membership. NGCCI welcomes its new members:

Creative Nepal Exports Pvt. Ltd.

Thamel - 17, GPO Box: 8974 CPC 395, Kathmandu, Nepal
Tel: 01-4700565 Fax: 01-4262522
Email: info@creativenepalexports.com/
crtvexpo@enet.com.np
www.creativenepalexports.com

Major Business Activities: Woolen Garment, woolen hand knit products and cotton bags

Represented By: Hari Prasad Dhakal, Chairman

Heavy Help Link Pvt. Ltd.

Kamaladi, GPO Box:1655, Kathmandu, Nepal, Tel: 01-4433044 Fax: 01-4439537

Email: info@hvparts.com www.hvparts.com

Major Business Activities: Supply and sales of Spare parts, photographic equipment and other industrial equipments

Represented By: Rakesh Kumar Shrestha, Managing Director

Nabil Bank Limited

Durbar Marg, GPO Box:3729, Kathmandu, Nepal, Tel: 01-4227181 Fax: 01-4226305

Email: info@nabilbank.com www.nabilbank.com

Major Business Activities: Banking

Represented By: Anil Gyawali, CEO

Renaissance Nepal Investment Pvt. Ltd.

Naya Baneshwor, Kathmandu, Nepal, Tel: 01-4109519 Fax: 01-4428969

Major Business Activities: Financial services and Investment

Represented By: Jiba Nath Lamichhane, Chairman

Roots Fashion Pvt. Ltd.

Putalisadak, GPO Box:378, Kathmandu, Nepal, Tel: 01-4232915 Fax: 01-4232831

Email: gqcoll@mos.com.np

www.rootsfashion.com.np

Major Business Activities: Adidas sole distributor

Represented By: Sanjib Tuladhar, Managing Director

S.S. Lama Handicrafts

Swoyambhu, GPO Box:15, Kathmandu, Nepal, Tel: 01-4279709, Email: sslama95@yahoo.com

Major Business Activities: Thanka and Woolen handicrafts

Represented By: Sersang Lama, Proprietor

BIOFACH - World's Leading Trade Fair for Organic Products and VIVANESS - World's leading Trade Fair for Natural Beauty Products

BIOFACH, the World Organic Trade Fair, takes place in the Exhibition Centre Nuremberg annually in February. It is a must event for the world's organic professionals from the organic food, natural cosmetics, natural textiles and many other segments.

It is organized by NürnbergMesse under the auspices of the International Federation of Organic Agriculture Movements (IFOAM). The mother of all organic product trade fairs is and remains the international pacesetter for suppliers and buyers in the organic products sector.

BIOFACH takes place for the 25th year in succession in 2014 and can look back on an outstanding success story. It all began with 197 exhibitors in the Ludwigshafen Stadthalle in 1990. Some 2,500 visitors attended the "1st European Trade Fair for Organic Food and Natural Products" at that time. The exhibition was organized in Nuremberg for the first time in 1999.

VIVANESS- The International Trade Fair for Natural Personal Care was launched in 2007.

Natural cosmetics have been part of the product spectrum at BIOFACH (World's leading Trade Fair for Organic Food) since the exhibition was launched in 1990. As the range of natural cosmetics grew constantly and the demand also increased, this segment was separated in 2007 and has taken place parallel to BIOFACH ever since as the independent exhibition VIVANESS.

Its product range covers high-quality, certified natural personal care and body care products along with drugstore articles. The range is complemented by products from the areas of natural-based, organic pharmacists, cures and remedies, wellness and accessories.

This makes VIVANESS the leading trade fair for natural personal care products and is held in high regard as an international meeting place by experts and specialists from the GreenBeauty sector.



BIOFACH, together with VIVANESS is an important business event for the organic sector, and both a get-together and an opportunity for positioning. It is the annual platform for:

- w **Sector and people:** Nowhere else do all the customers, suppliers, partners and potential new customers meet personally in a comparable way than at BIOFACH and VIVANESS.
- w **Market and products:** BIOFACH and VIVANESS are the platform for positioning. This is where supply meets demand – for both visitors and the exhibiting companies. Manufacturers present their company and products to the whole community at the world's leading exhibition and observe and analyse the market and position themselves for the competition at the same time.
- w **Image and PR:** The exhibition duo is used for imagebuilding by manufacturers and traders and all the stakeholders involved. With 1,000 media representatives from 36 countries and extensive media reporting, BIOFACH and VIVANESS offer a powerful PR platform.

w **Content and knowledge:** Exhibitions are knowledge platforms. The BIOFACH Congress and VIVANESS Forum provide extensive information about the organic sector worldwide. 7,533 congress participants sourced information at 169 individual events in 2013.

w **Politics and public opinion:** Every year, BIOFACH and VIVANESS gather representatives from politics, associations, NGOs, VIPs and other opinion formers and figures of public interest. There the organic stakeholders discuss matters concerning the future of the market and use this joint platform for shaping the future.

41,794 trade visitors from 126 countries (international share: 44 %) were delighted with the usual high-quality, varied and innovative range of products from the 2,413 exhibitors at this year's edition of the exhibition duo BIOFACH and VIVANESS. The top 5 countries for visitors were Italy, Austria, France and the Netherlands in addition to Germany.

Facts and Figures: BIOFACH and VIVANESS 2013

- w 2, 413 exhibitors, BIOFACH : 2,207 exhibitors VIVANESS: 206, international share: BIOFACH: 1,594 VIVANESS: 133
- w 41,794 visitors from 126 countries, international share: 44 %
- w 93 % of the exhibitors were able to reach their most important target groups
- w 91 % of the exhibitors established new business relations
- w 99 % of the visitors were satisfied with the opportunities for obtaining information and establishing contact
- w 92 % of the visitors are involved in purchasing decisions in their company

BIOFACH and VIVANESS 2014

Venue & date

Exhibition Centre Nuremberg 12-15 February 2014 together with VIVANESS.

Event cycle

Annually

Opening times

Daily 09:00 - 18:00 Saturday 09:00 - 17:00

BIOFACH quality

As always, all the organic food exhibited is certified to the EU Organic Regulation or the accreditation directives of IFOAM, the patron of BIOFACH.

VIVANESS quality

All the products exhibited at VIVANESS have either been certified by a recognized natural cosmetics certifier or the individual ingredients have been checked for compliance with the VIVANESS criteria.

Due to growing areas of organic farming worldwide from year to year the BIOFACH trade fairs has extended in five key economic regions around the world in the USA, Brazil, Japan, India and China. These Fairs help to link raw materials commercial centres with international demand and are also the driving force behind the development of regional markets.

BIOFACH World Program dates are:

1. BIOFACH AMERICA, Baltimore, USA
26-28 September 2013
2. BIOFACH INDIA, Bangalore, India
14-16 November 2013
3. BIOFACH JAPAN, Tokyo, Japan
31 October - 2 November 2013

www.biofach.de/www.vivaness.de

Trade Fairs in Germany

- World's Leading Trade Fair Destination -
Program 2013 (September -December)

AUGUST

08.30-09.08 Dusseldorf
CARAVAN SALON DÜSSELDORF - The
No. 1 Show for motor homes and caravans

SEPTEMBER

09.01 - 09.05 *Muenster*
61th International Congress and Annual
Meeting of Society for Medicinal Plant and
Natural Product Research

09.06 - 09.08 *Dusseldorf*
TOUR NATUR International Trade Fair
for Hiking and Trekking

09.11 - 09.13 *Dusseldorf*
GDS - International Event for Shoes &
Accessoires

09.14 - 09.16 *Leipzig*
MIDORA LEIPZIG - TRADE FAIR FOR
WATCHES AND JEWELLERY

09.16 - 09.20 *Munich*
drinktec - World's Leading Fair for
Beverage and Liquid Food Technology

09.19 - 09.21 *Cologne*
Eu'Vend/coffeena - The International Trade
Fair for the Vending Industry/coffeena -
International Coffee Fair

09.24-09.25
Natural Cosmetics Conference Berlin 2013

09.26-09.29 *Augsburg*
RENEXPO® - International Energy Trade
Fair

OCTOBER

10.04-10.07 *Idar-Oberstein*
NTERGEM - International Trade Fair for
Gems, Jewellery and Gemstone Objects

10.05-10.09 *Cologne*
Anuga - The leading trade fair for the
global food industry

10.08-10.10 *Hanover*
BIOTECHNICA - Europe's No.1 Event for
Biotechnology, Life Sciences and Lab
Technology

10.09-10.13 *Frankfurt/Main*
Frankfurter Buchmesse - Frankfurt Book
Fair

NOVEMBER

11.02-11.10 *Essen*
HEIM & HANDWERK International Trade
Fair for Furnishing and Handicraft

11.10-11.16 *Hanover*
AGRITECHNICA - International DLG
Exhibition for Agricultural Machinery

11.13-11.17 *Berlin*
IMPORT SHOP Berlin International
Handicraft Exhibition

11.20-11.23 *Dusseldorf*
MEDICA - International Trade Fair with
Congress (with COMPAMED -
International Trade Fair Hightech Solutions
for Medical Technology)

DECEMBER

12.01-12.02 *Stuttgart*
Hair & style management - Trade fair for
hairdressing equipment, cosmetics, nail
design, shop management and fashion
with championships

12.03-12.04 *Berlin*
MODERNER STAAT - Exhibition and
Conference

12.05-12.08 *Hanover*
Pferd & Jagd - Europe's biggest exhibition
for equestrian sports, hunting and fishing

Please contact us for further questions: _____



Nepal-German Chamber of Commerce and Industry (NGCCI)

ACE Apartment No. 101, Narayan Chaur, Naxal - Kathmandu, Nepal

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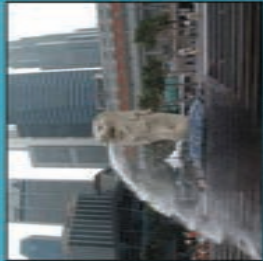
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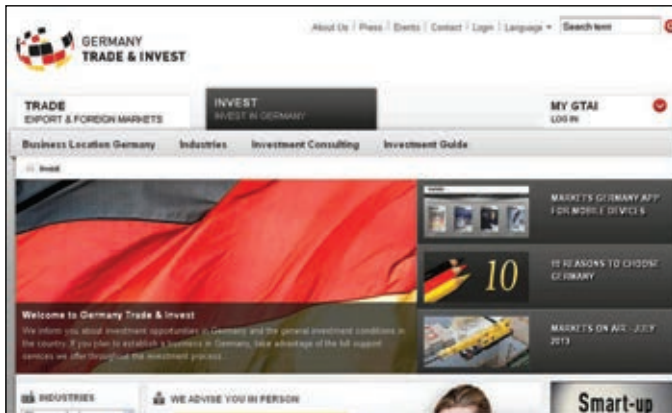
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Tel: 5525237, 5527120, 5521305, Fax: 977-1-5527047
E-mail: dolmaas@gmail.com, samdupling@wlink.com.np
Website: www.jhcnepal.com

Association of the German Trade Fair Industry (AUMA) - www.auma.de

AUMA is the central association of the German trade fair industry and represents the interests of all trade fair stakeholders such as exhibitors, visitors, trade fair organizers and service companies. Trade fairs are the leading marketing instrument for the exhibiting and visiting sectors of business, while Germany with its international trade fairs maintains its leading position worldwide. homepage of AUMA provides useful information about the whole trade fair business and gives support on how to prepare efficiently trade fair participations. Furthermore the search function on the homepage helps businessmen



to find the adequate trade fair in Germany and abroad.



Germany Trade and Invest (GTAI) - www.gtai.com

Germany Trade and Invest (GTAI) the foreign trade and inward investment agency of the Federal Republic of Germany promotes Germany as a business and technology location, supports companies based in Germany with global market information and informs and advises international companies setting up business in Germany. The investment department of GTAI informs foreign investor about investment opportunities in Germany and the general investment conditions in the country. Businesses with investment plans in Germany can receive detailed close-to-market information about the legal business and

tax climate in Germany as well as incentive-related information.

The range of information services includes among others market and industry reports, market entry analyses, labor and tax law information and funding and financing information.

National Federation of German Commercial Agencies and Distributors (CDH) - www.cdh.de

CDH represents more than 60,000 German commercial agencies and distributors selling products of various business sectors. CDH is the umbrella association of 13 regional associations spread all over Germany and, furthermore, is organized in 7 trade associations looking after trade-specific topics.

for international businessmen and gives support to establish contacts in order to develop a mutually profitable business relationship. In doing this, CDH offers various possibilities to find business partner. Interesting offers for commercial agencies can be found in the monthly magazine "H&V Journal". The magazine offers also the possibility of placing advertisements. On CDH's b2b internet platforms www.commercialagents.de and www.come-into-contact.com businessmen can find national and international distribution offers and can also place their own advertisement to approach manufacturers.



Annex Export Sector Presentation

RESEARCH

- ✓ Centre for the Promotion of Imports from Developing Countries - www.cbi.eu
- ✓ International Trade Center - www.intracen.org
- ✓ Organic World - www.organic-world.net

ASSOCIATIONS

- ✓ European Spice Association - www.esa-spices.org
- ✓ German Spice Association - www.gewuerzindustrie.de
- ✓ European Herb Growers Association - <http://europam.net>
- ✓ German Association of producers of culinary foods - www.kulinaria.org
- ✓ Organic Food Industry Federation - www.boelw.de
- ✓ European Professional Association of Ayurveda-Practitioners and Therapists - www.ayurveda-verband.eu
- ✓ German Society for Phytotherapy - www.phytotherapy.org
- ✓ German Association of Research-Based Pharmaceutical Companies - www.vfa.de

MEDIA AND BUSINESS-TO-BUSINESS SOURCES

- ✓ International Food Ingredients Magazine - www.ifi-online.com
- ✓ Organic Market - www.organic-market.info
- ✓ Ingridnet - www.ingridnet.com
- ✓ Food World - www.thefoodworld.com
- ✓ World Exporters and Importers Trade Directory - www.eximdata.com
- ✓ Pharma & Bio Ingredients- www.pharmabioingredients.com

COMPANIES IN GERMANY

- ✓ AKO Salze & Gewürze Vertriebs GmbH (Spices & Herbs) - www.ako-spice.com
- ✓ Friedrich Gewürze GmbH (Spices & Herbs) - www.gewuerz.de
- ✓ FUCHS Gewürze GmbH & Co (Spices & Herbs) - www.fuchs-gewuerze.de
- ✓ Nesse (Spices & Herbs; belongs to Frutarom) - www.nesse.de
- ✓ Gewürzmüller (Spices & Herbs; belongs to Frutarom) - www.gewuerzmueller.de
- ✓ Hamburger Gewürz-Mühle (Spices & Herbs) - www.gewuerzmuehle.de
- ✓ Henry Lamotte GmbH (Spices & Herbs) - www.lamotte.de
- ✓ Lebensbaum U. Walter GmbH (Spices) - www.lebensbaum.de
- ✓ Ostmann Gewürze GmbH & Co. (Spices & Herbs) - www.ostmann.de
- ✓ Rapunzel Naturkost AG (Spices) - www.rapunzel.de
- ✓ Ubena Gewürzvertrieb GmbH (Spices & Herbs) - www.ubena.de
- ✓ Van Hees & Gewürzmühlen GmbH (Spices & Herbs) - www.van-hees.com
- ✓ Hermann Laue GmbH (Spices & Herbs) - www.hela-food.de
- ✓ Poppe & Groninger (Spices & Herbs) - www.pogro.de
- ✓ Bionorica - www.bionorica.de
- ✓ Dr. Willmar Schwabe (MAPs) - www.schwabe.de
- ✓ Inproplant (Spices & MAPs) - www.inproplant.de

- ✓ Martin Bauer (MAPs) - www.martin-bauer.com
- ✓ Flavex Naturextrakte (MAPs) - www.flavex.com
- ✓ Gehrlicher (MAPs) - www.gehrlicher.de
- ✓ GfN & SELCO (MAPs) - www.gfn-selco.de
- ✓ Möller Pharma (MAPs) - www.moeller-pharma.de
- ✓ Paninkret (MAPs) - www.paninkret.de
- ✓ Roeper (MAPs) - www.roeper.de
- ✓ Weleda (MAPs) - www.weleda.de
- ✓ Worlee (MAPs) - www.worlee.de

TRADE FAIR

- ✓ Anuga (Food Trade Fair) - www.anuga.com
- ✓ Biofach (Organic Trade Fair) - www.biofach.de
- ✓ ExpoPharm (Pharmaceutical Trade Fair) - www.expopharm.de
- ✓ FI Europe & NI (Food Ingredients & Natural Ingredients) - <http://fieurope.ingredientsnetwork.com>
- ✓ SIAL (Food Trade Fair) - www.sialparis.com

OTHER USEFUL EVENTS:

- ✓ 61th International Congress and Annual Meeting of Society for Medicinal Plant and Natural Product Research (Sep. 1-5, 2013) Muenster, Germany www.ga2013.org
- ✓ Natural Cosmetics Conference Berlin 2013 (Sep. 24-25, 2013), Berlin, Germany
- ✓ 24 th Bernburger Winter Seminar for Medicinal and Aromatic Plants (Feb. 18 - 19, 2014), Bernburg, Germany

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