

# **Nepal-China Business Summit**

## **Concept Note**

### **Background and Introduction:**

Nepal's enduring relationship with the People's Republic of China is steeped in history and camaraderie. These ties have grown and evolved over centuries, with early connections established by figures like Nepali monk Buddhahadra in the 5th century, Princess Bhrikuti in the 7th century, and Araniko in the 13th century, complemented by visits from Chinese monks and scholars like Monk Fa Xian and Monk Xuan Zang. In a formal capacity, diplomatic relations were established on August 1, 1955, fostering a foundation of friendship, understanding, mutual support, cooperation, and respect for each other's sensitivities. Economic cooperation between Nepal and China also has a substantial history dating back to the 1950s when the first "Agreement between China and Nepal on Economic Aid" was inked. Since the mid-80s, the Chinese government has consistently pledged grant assistance to Nepal, further enhancing bilateral development endeavors.

China is Nepal's primary trading partner, with Nepal exporting \$13.5 million worth of goods to China in the fiscal year 2022/23, compared to \$23.3 million in 2017/2018. Key exports include carpets, metal products, pasta, and more. Conversely, Nepal imported \$1703.3 million worth of goods from China in 2022/23, leading to a trade deficit of \$1689.8 million. While China offers zero customs duties on 8030 goods for Nepal, these benefits remain underutilized. There are 2,045 Chinese joint venture industries in Nepal across various sectors, with a total Chinese investment of approximately \$1.4 billion. Nepal also serves as a growing destination for Chinese and South Asian tourists, with 9599 Chinese tourists visiting in 2022, compared to 169,543 in 2019.

The state visits of Nepal's Former Rt. Hon'ble President Bidya Devi Bhandari's visit to China in April 2019 and Rt. Hon'ble President Xi Jinping, President of People's Republic of China to Nepal in October 2019 underscored the mutual commitment to the Belt and Road Initiative, with an emphasis on critical infrastructure development, transportation networks, and connectivity under the trans-Himalayan Multi-Dimensional Connectivity Network. These initiatives are geared towards catalyzing Nepal's economic growth and achieving sustainable development goals. Both nations have explored collaboration in railway projects, port optimization, and highway usage for cargo transport, with a focus on creating employment opportunities and improving livelihoods.

The Federation of Nepalese Chambers of Commerce and Industry (FNCCI), the apex body representing the private sector in Nepal, has a distinguished track record of orchestrating significant Business Summits during the official state visits of the High level Delegates from Nepal to any Countries.

Aligned with this tradition, FNCCI, in partnership with the China Council for the Promotion of International Trade (CCPIT), its memorandum of understanding (MoU) partner, is planning to convene the "Nepal-China Business Summit" during the upcoming state visit of Rt. Hon'ble Prime Minister Mr. Pushpa Kamal Dahal 'Prachanda' to China in September. This landmark

event enjoys the support and collaboration of key stakeholders including Nepal's Ministry of Foreign Affairs, Ministry of Industry Commerce and Supplies, Embassy of the People's Republic of China in Nepal, and the Embassy of Nepal in China. The summit will attract active participation from various ministries of Nepal, including the Ministry of Finance, Ministry of Industry, Commerce and Supplies as well as a substantial representation from the business communities of Nepal and China.

The primary objective behind organizing this Summit is to establish a platform that facilitates the exploration of prospects and opportunities for fostering stronger business-to-business relationships and investment ties between the business communities of Nepal and China.

FNCCI and CCPIT, as MoU partners, have consistently co-hosted the China South Asia Business Forums on an annual basis, collaborating with the SAARC Chamber of Commerce and Industry, wherein FNCCI holds a founding membership. Both organizations have demonstrated unwavering commitment to enhancing economic relations between Nepal and China, underpinned by their joint efforts in nurturing bilateral economic engagements between the two nations. The Summit would add an important milestone in the Nepal-China bilateral economic relations in general, and FNCCI-CCPIT business relations in particular.

### **About FNCCI:**

The Federation of Nepalese Chambers of Commerce & Industry (FNCCI) is the nationally and internationally recognized umbrella organization of business in Nepal. Organized as a representative body of business organizations in the country, it represents the interests of the private sector and is involved in promotion of socio economic development of Nepal through private sector led economic growth.

Registered as a national representative chamber in pursuant of section 3 of the National Directives Act 1961 (Rastriya Nirdeshan Ain 2018), the FNCCI Membership is as follows:

The FNCCI Membership, at present, is comprised of:

121 District / Municipality Level Chambers in 77 Districts of Nepal

123 Commodity / Sectoral Associations

1762 Leading public and private sector undertakings

20 Bi-national Chambers (including 8 observer chambers)

The FNCCI is represented in almost all national councils / boards / committees / policy advisory bodies concerned with business and industry. FNCCI has also established Foreign Direct Investment (FDI) help desk at the FNCCI Secretariat. The help desk adopts the handholding concept, where the foreign investors are provided with resources, and information regarding their respective venture of interest.

## **About CCPIT:**

Founded in 1952, China Council for the Promotion of International Trade (CCPIT) is a national foreign trade and investment promotion agency.

The major responsibilities of the CCPIT include: implement relevant major national development strategies, and promote foreign trade, bilateral investment and economic & technological cooperation; carry forward cooperation with overseas trade promotion counterparts; receive overseas high-end trade and economic delegations; organize Chinese trade and economy delegations to visit foreign countries; manage overseas trade exhibitions organized by Chinese agencies, participate in affairs of Bureau International des Expositions (BIE) and World Expo on behalf of the Chinese government; hold or organize Chinese companies to attend trade and economic exhibitions, forums, fairs and other international conferences; represent domestic industry and commerce in the field of foreign trade, and involve into the formulation of trade and economic policies and rules, foreign trade negotiation and making of international commercial rules; carry out legal consulting, commercial conciliation, trade and maritime arbitration; sign and issue certificates of origin for export products and other certificates and documents related to foreign trade, provide intellectual property services such as patent application, trade mark registration, litigation and rights safeguarding; organize industries and enterprises to cope with trade disputes; provide trade and economic information, training services etc.

The CCPIT establishes wide connections with relevant international organizations, trade & investment promotion agencies, commercial associations and business circle, to organize various forms of communication and cooperation. It is committed to enhancing services for companies and making positive contributions to development of bilateral and multilateral trade relationships, promotion of world economic prosperity and improvement of the well-being of all mankind.

## **Objectives of the Summit:**

The overarching purpose of the "Nepal-China Business Summit" is to provide a platform to discuss the emerging business opportunities, to further enhance investment, trade, business and overall economic linkages between Nepal and China.

### **The major objectives of the Summit includes:**

- 1) to establish the linkages and effective business communication among delegates and participants.
- 2) to promote business alliances and possibilities for collaboration in trade and investment between Chinese and Nepali companies,
- 3) to conduct B2B Meetings between companies of Nepal and China.

The Summit provides the unique opportunity to the private sectors and other stakeholders of both nations to pool together ideas and potential joint venture projects, for collaboration, in the coming days, with new initiatives and directions for moving forward.

### **Organizing the Summit:**

The summit will be jointly organized by FNCCI and CCPIT, in mutual consultation, with the support of governments of Nepal and China. The summit will be supported by Nepal's Ministry of Foreign Affairs, Ministry of Industry Commerce and Supplies, Embassy of People's Republic of China in Nepal and Embassy of Nepal in China.

### **Chief Guest of the Summit:**

The Summit is planned to be inaugurated by **Rt. Hon'ble Prime Minister of Nepal**.

### **Special Guest and Keynote Speaker of the Summit:**

The Organizers are planning to organize the Summit in the gracious presence of the **Minister from China** as the **Special Guest** of the Summit and **President/ VP of CCPIT as Keynote Speaker**.

### **Special Guests of the summit from Nepal:**

**Honorable Minister for Finance, Nepal**

**Honorable Minister for Foreign Affairs, Nepal**

**Honorable Minister for Industry Commerce and Supplies, Nepal**