

**TRADE AND PAYMENTS AGREEMENT
BETWEEN THE GOVERNMENT OF
THE PEOPLE'S REPUBLIC OF
CHINA AND HIS MAJESTY'S
GOVERNMENT OF NEPAL**

The Government of the People's Republic of China and His Majesty's Government of Nepal (hereinafter referred to as the Contracting Parties), for the purpose of further developing the friendship between the two countries and strengthening the economic and trade relations between the two countries, including the traditional trade relations between the Tibet Autonomous Region of China and Nepal, have on the basis of equality and mutual benefit agreed as follows :

Article 1

The two Contracting Parties shall take all appropriate measures to develop the trade between their two countries and agree to promote the exchange of goods between them. The two Contracting Parties, in

addition to trade overseas, shall provide each other all possible facilities for the further consolidation and development of the traditional trade overland between the two countries.

Article 2

The exchange of goods between the two countries shall be conducted in accordance with their respective laws, regulations and procedures regarding import and export and foreign exchange regulations in force from time to time in the two countries.

Article 3

The exchange of goods between the two countries shall be carried out according to List "A" (China's exports to Nepal) and List "B" (Nepal's exports to China) attached to this Agreement. However, this Agreement does not preclude the trade in commodities not mentioned in the annexed Lists "A" and "B" as referred to above.

The two Contracting Parties shall provide each other facilities in respect of the issuance of import and

export licences for the commodities traded between the two countries.

Article 4

The trade between the two countries shall be based and regulated as far as possible, on the principle of equilibrium.

Article 5

The trade between the two countries may be conducted through the state trading organizations of China and Nepal, as well as other importers and exporters of the two countries.

Article 6

The two Contracting Parties shall grant to each other the most-favoured nation treatment in all matters relating to customs duties and other taxes, fees and charges to be levied on exportation and importation of commodities, and to the rules, formalities and charges of customs management.

These provisions, however, shall not apply to :

1. advantages resulting from any customs union or other agreement on customs free trade to which either Contracting Party is or may become in the future a party; and ,
2. advantages accorded by multilateral economic agreement relating to international commerce.

Article 7

In order to develop the trade overland between the two countries, the two Contracting Parties agree to utilize the following trading points along their frontier:

1. Nyalam/Kodari
2. Kyerong/Rasuwa
3. Purang/Yari (Humla)

Article 8

With a view to improve the economic life of the border inhabitants, the two Contracting Parties agree that the border inhabitants of the two countries, may, within an area of 30 kilometers from the border, carry

on the traditional trade on barter basis, which shall not be subjected to the limitation of the above-mentioned provisions.

Article 9

The trade overland between the two countries shall be on the basis of C & F at the points of transfer of the goods over the border between the Tibet Autonomous Region of China and Nepal, or such other places in the vicinity of the border as may be determined by the local authorities concerned.

Article 10

The trade overseas between the two countries shall be, in the case of export from China, on the basis of C. I. F. Calcutta or other port on which both Parties have agreed, or of F. O. B. China's port; and in the case of export from Nepal, on the basis of F. O. B. Calcutta or other port on which both Parties have agreed, or of C. I. F. China's port.

Article 11

Nothing in this Agreement shall be construed to derogate from any obligations of either of the Contracting Parties under any international convention or agreement, or resolution, including those relating to land-locked countries, entered into by either of the Contracting Parties, before or after the conclusion of this Agreement.

Article 12

At the request of either Contracting Party, their representative shall meet to supervise the implementation of this Agreement and settle problems which may arise there-from through friendly consultations.

Article 13

The payments of the trade overseas between the two countries shall be made in freely convertible currency.

The payments of the trade overland between the

two countries shall remain to be made in the traditional customary way.

Article 14

This Agreement, which shall replace the earlier Trade and Payments Agreement signed between the two Contracting Parties on 31st day of May 1974, shall remain in force for a period of three years. If neither party notifies the other in writing to terminate this Agreement at least six months before its expiration, the validity shall be automatically extended for another three years and further extensions shall be effected in a similar manner.

The present Agreement is concluded in Kathmandu on 22nd day of November, 1981 in duplicate in the Chinese, Nepalese and English languages, all the three texts being equally authentic.

郑义山



For the Government of the
People's Republic of China

For His Majesty's
Government of Nepal

List "A"

China's exports to Nepal

1. China's exports overseas to Nepal

- (1) Textiles
- (2) Garments
- (3) Light industrial products
- (4) Food stuffs
- (5) Cement
- (6) Metals and steel products
- (7) Lubricant oil
- (8) Chemicals
- (9) Others

2. Exports from the Tibet Autonomous Region of China to Nepal

- (1) Raw wool
- (2) Living sheep
- (3) Salt
- (4) Yak and Yak tails
- (5) Carpets
- (6) Others

List "B"

Nepal's exports to China

1. Nepal's exports overseas to China
 - (1) Jute
 - (2) Sugar
 - (3) Timber
 - (4) Tanned sole leather
 - (5) Medicinal herbs
 - (6) Tea
 - (7) Others
2. Nepal's exports to the Tibet Autonomous Region of China
 - (1) Food grains
 - (2) Wheat flour
 - (3) Sugar
 - (4) Jute bags and jute cloth
 - (5) Tobacco
 - (6) Dried chillies
 - (7) Candles
 - (8) Dyestuffs

(9) Soaps

(10) Timber

(11) Cross bred yak (male)

(12) Others