Press Release

Rt. Hon. Prime Minister Mr. Pushpa Kamal Dahal 'Prachanda' held bilateral delegation-level talks with His Excellency Shri Narendra Modi, Prime Minister of India, at Hyderabad House in New Delhi yesterday. The talks were held in cordial and friendly atmosphere characterizing the age-old friendly ties between the two countries.

The two Prime Ministers reviewed the wide-ranging areas of bilateral relations and cooperation, including trade and transit; hydropower, power trade and transmission lines; cross-border railways, motorable bridges, petroleum pipelines and ICPs; irrigation, river training, inundation and flood control; agriculture; culture and civil aviation. They expressed commitment to sustain the momentum of engagement in diverse areas and further strengthen the friendly relations based on equality, mutual trust, mutual respect and mutual benefit.

The two sides reviewed the progress of ongoing projects with a view to timely completion of them. The two Prime Ministers directed activating all bilateral mechanisms in order to expedite the works in their respective areas of competence and carry forward the bilateral cooperation.

The two Prime Ministers remotely inaugurated and performed the groundbreaking of following projects:

i. Handing-taking over of Kurtha-Bijalpura section of railway line
ii. Flagging off the inaugural-run of Indian cargo train to Nepal on the newly built Bathnaha-Biratnagar, Nepal Customs Yard railway
iii. Groundbreaking of Integrated Check Posts at Bhairahawa (Nepal) -Sunauli (India)
iv. Inauguration of Integrated Check Post at Nepalgunj (Nepal)-Rupaidiha (India)
v. Groundbreaking of phase II of the Motihari-Amlekhgunj petroleum pipeline project
vi. Groundbreaking of 400kV Butwal-Gorakhpur Transmission Line.

The two Prime Ministers also witnessed the exchange of the following documents:

i. Treaty of Transit between Nepal and India
ii. MOU for the development of the Integrated Check Post at Dodhara-Chandani
iii. MOU on Cooperation in the Field of Petroleum Infrastructure.
iv. MOU between the Institute of Foreign Affairs (IFA) of Nepal and Sushma Swaraj Institute of Foreign Service (SSIFS) of India
v. MOU for the Development of Phukot-Karnali 480 MW Hydro-electricity Project
vi. Project Development Agreement (PDA) of Lower Arun 669 MW Hydro-electricity Project
vii. MOU between National Clearing House Limited Nepal (NCHL) and National Payment Company India Limited (NPCIL) for cross-border payments

The two Prime Ministers discussed about Nepal's request for additional air entry routes. The Prime Minister of Nepal welcomed India's positive indication of air-entry route for bilateral flights and requested for approval of high-altitude additional air-entry route from Mahendranagar. The Prime Minister of Nepal also requested for India's positive response towards operationalizing the Instrumental Landing System (ILS) procedure for smooth operation of Gautam Buddha International Airport and enhancing flight safety and efficiency.

The two sides expressed satisfaction that the Agreement on the long-term power trade completed during the visit will streamline the procedures for the power trade and make it more predictable. The Prime Minister of India stated that India aims to increase the quantum of hydropower import from Nepal to India to 10,000 MW in the next 10 years.

The Prime Minister of Nepal requested Prime Minister of India for approval of additional 1200 megawatts of hydropower for export from Nepal to India including the 456 MW Upper Tamakoshi Hydropower project at the earliest.

The Prime Minister of Nepal welcomed the decision of India to facilitate the first trilateral power transaction from Nepal to Bangladesh, through Indian grid with an export of 40 MW of power. The both sides committed towards greater cooperation at sub-regional level including in the energy sector. The Prime Minister of Nepal thanked the Government of India for the approval of the transmission line projects proposed under the 4th Lines of Credit (LOC-IV).

The two Prime Ministers also discussed the problem of flood and inundation in the areas along Nepal-India border and instructed early convening of the existing bilateral mechanisms to take up necessary measures for effective prevention of the flood and inundation before the onset of monsoon.

The two Prime Ministers noted that the Pancheshwar Multipurpose Project (PMP) as envisaged in the Mahakali Treaty is in accordance with the aspirations of people of Nepal and India. In this context, it was agreed that the concerned officials of both governments shall expedite the bilateral discussions towards early finalization of the Detailed Project Report (DPR) of the PMP within a period of three months. The Pancheshwar Development Authority (PDA) shall submit the finalized DPR to both Governments. The two Governments and their relevant entities shall take the lead in arranging finance for the PMP. The modalities of implementation shall be concluded within one year after approval of the DPR by the two Governments.

They also welcomed the construction of the Tanakpur link canal and agreed that water will be released from Tanakpur barrage to irrigation command area of Nepal through this canal in a phase-wise manner, based on the readiness of the facilities on the Nepali side.

The two Prime Ministers emphasized further promoting trade and investment between the two countries. Mentioning the issue of large trade deficit faced by Nepal, the Prime Minister of Nepal requested for non-reciprocal access for Nepal's agricultural and primary products to the Indian market. The two Prime Ministers directed for early convening of the Commerce Secretary level mechanism to address the issues related to trade, including the review of Treaty of Trade. The two leaders directed the concerned

officials to work towards early finalization of MOU on mutual recognition of certificates and accrediting of the testing labs. The Prime Minister of Nepal requested for the lifting of countervailing duty on Nepali jute products.

The two sides also reached an agreement for the extension of Motihari-Amlekhgunj petroleum pipeline upto Chitwan and construction of a new crossborder petroleum pipeline from Siliguri to Jhapa on grant assistance of India.

The two Prime Ministers flagged-off the cargo rail service between Bathnaha and Biratnagar, Nepal Customs Yards. The Prime Minister of Nepal thanked the Prime Minister of India for constructing cross-border railway links, including the extension of passenger rail service between Jayanagar-Kurtha to Bijalpura, under Indian grant assistance. The Prime Minister of Nepal welcomed the offer of training and capacity building of Nepali railway personnel for sustained operation of these railways.

The Prime Minister of Nepal requested to expedite the work of GP Koirala Institute of Health Sciences, establishment of Nepal Institute of Technology in Sudurpaschim of Nepal, and also made a request for construction of Cricket Stadium and Sports Village in Fapla, Dhangadi under the grant assistance of India. Indian side agreed to construct two motorable bridges over the Mahakali River in Sirsa (Parsuram Dham – Purna Giri Mai) and Jhulaghat under grant assistance.

The two Prime Ministers also agreed to promote cooperation in the field of agriculture, including research and development, capacity building, natural farming and use of nano-fertilizers. The Prime Minister of Nepal thanked the Government of India for the gift of improved breed of livestock and further requested for germ plasm of major cash crops particularly sugarcane and coffee.

Both the Prime Ministers noted with satisfaction the understanding reached in February last year on the supply of urea and DAP from India to Nepal. Strengthening this cooperation further, both leaders agreed to set up a fertilizer plant in Nepal with the participation of public and private sector entities from Nepal and India to meet the fertilizer needs of both Nepali and Indian farmers and with adequate assurance of market in both the countries. The two Prime Ministers directed the concerned authorities to explore the viability of such a plant.

The two Prime Ministers also discussed the boundary matters. The Prime Minister of Nepal urged the Prime Minister of India to resolve the boundary matters through the established bilateral diplomatic mechanisms.

The Prime Minister of Nepal commended India's G20 presidency and the SCO Chairmanship. Prime Minister Modi thanked Nepal for joining the International Big Cat Alliance as its founding member.

The Prime Minister of Nepal extended cordial invitation to the Prime Minister India for a visit to Nepal at an early date. The Prime Minister of India accepted the invitation with pleasure.

Earlier in the morning, Prime Minister 'Prachanda' offered homage at the memorial of Mahatma Gandhi at Rajghat. In the afternoon, he called on the Hon'ble President of

India, Smt. Droupadi Murmu, and Hon'ble Vice President of India, Shri Jagdeep Dhankhar.

Later in the evening, Prime Minister 'Prachanda' attended Nepal-India Business Summit jointly organized by Federation of Nepalese Chambers of Commerce and Industry (FNCCI) and Confederation of Indian Industry(CII) and addressed the gathering of prominent industrialists, investors and businesspersons. Addressing the Summit, the Prime Minister stated that the abundance of natural resources, large pool of human capital, a promising market in the neighbourhood together with sound policy and regulatory framework make Nepal ideally an attractive destination for investment. He called for joining in value chains and take advantage of the readily available economic opportunities in Nepal in mutually beneficial areas. His Excellency Piyush Goyal, Minister for Commerce and Industry of the Government of India said that Nepal and India have unmatched complementarities to prosper and grow economically and offer promising opportunities for investment and trade.

Prime Minister 'Prachanda' is on a four-day official visit to India from 31 May to 3 June 2023, at the invitation of His Excellency Shri Narendra Modi, Prime Minister of India.

Embassy of Nepal,
New Delhi,
2 June 2023