

STRENGTHENING NEPAL-INDIA ECONOMIC PARTNERSHIP FOR SHARED PROSPERITY

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ORGANIZERS



AIDIA
(Asian Institute of Diplomacy
and International Affairs)



CII
(Confederation of Indian Industry)
North Bengal Zonal Council



Strengthening Nepal-India Economic Partnership for Shared Prosperity

INTRODUCTION

Against the backdrop of shifting regional economic dynamics and the vast, untapped potential of bilateral trade, the Asian Institute of Diplomacy and International Affairs (AIDIA) in Collaboration with Confederation of Indian Industry (CII) North Bengal Zonal Council convened the Nepal-India economic partnership dialogue under the theme "Strengthening Nepal-India Economic Partnership for Shared Prosperity."

The dialogue serves a vital role in bilateral economic collaboration. At its core, the forum offers a platform for business leaders and other stakeholders to publicly express their policy priorities and share their perceptions on cross-border challenges. It successfully brought together representatives from major conglomerates, academics, healthcare entrepreneurs, and tourism experts.



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KEY THEMES

INFRASTRUCTURE AND TRADE FACILITATION

The urgent need to accelerate infrastructure development, specifically the Integrated Check Post (ICP) at Panitanki, and the resolution of non-tariff and reciprocal tax-related challenges that impede trade and economic cooperation.

THE 'SOFT' FOUNDATION IS THE HARD CORE

Tourism, healthcare, and education were consistently reframed not as only the 'soft side' of partnership, but also as its very foundation. Leaders advocated for a 'Siliguri Knowledge Corridor,' joint medical and educational policies, and promotion of UNESCO World Heritage vis-a-vis Himalayan culture.

MOVING BEYOND CAPITALS

A recurring consensus was that practical economic diplomacy must decentralize from Delhi and Kathmandu, focusing instead on bordering regions like West Bengal and Koshi Province, where the daily reality of the partnership lived since centuries.



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OPENING ADDRESS

SPEAKERS:

Kunal Kayal, *Vice President, Nepal-India Chamber of Commerce and Industry (NICCI)*

Satish Mitraka, *Chairman, Confederation of Indian Industry (CII) North Bengal Zonal Council*

Amal Mandal, *Vice Chairman, CII North Bengal Zonal Council*

Kunal Kayal, Vice President of Nepal-India Chamber of Commerce and Industry (NICCI), opened the session by highlighting Siliguri's strategic role as a gateway connecting Nepal, India, and the wider region. He emphasized that Nepal-India relations are rooted in deep cultural, historical, and people-to-people ties, but stressed the need to further strengthen economic cooperation through greater investment, improved trade facilitation, and

stronger private-sector partnerships. He highlighted the importance of developing the West Bengal-Nepal corridor as a model sub-regional economic partnership, focusing on key sectors such as energy, tourism, and agriculture.

Kayal emphasized Nepal's significant hydropower potential as a major opportunity for Indian investment and regional clean energy cooperation, while also calling for integrated tourism circuits connecting Nepal's Himalayan and cultural destinations with India's pilgrimage and wellness tourism networks. He pointed out the need to address trade barriers affecting Nepali agricultural products, including certification, logistics, and market access challenges. Kayal urged businesses to view Nepal as a partner for co-investment, highlighting opportunities in hydropower, tourism, agriculture, and SEZs, and called for moving beyond dialogue toward concrete investment decisions and long-term economic partnerships.



Kunal Kayal

Vice President
Nepal-India Chamber of Commerce and Industry
(NICCI)

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Satish Mitruka, Chairman of CII North Bengal Zonal Council, began his address by stressing the need to further strengthen Nepal-India economic cooperation based on the principles of the 1950 Treaty of Peace and Friendship. He identified North Bengal as a strategic gateway for Nepal's exports, particularly for products such as CTC tea, cardamom, and ginger, with opportunities for large-scale processing, testing, certification, and warehousing facilities along the Mechi River corridor.

Mitruka outlined three key priorities: accelerating the development of the Panitanki Integrated Check Post to facilitate smoother cross-border trade; ensuring reciprocal tax treatment, noting that while Indian goods enjoy duty-free access into Nepal, Nepali exports such as tea face a 40% tariff in India, creating an imbalance that needs to be addressed; and improving cross-border payment mechanisms to ensure fair and efficient trade flows.

He also stressed the importance of enhanced regional connectivity through direct air services between Bagdogra-Kathmandu and Bagdogra-Biratnagar, along with upgrading Bhadrapur airport infrastructure to international standards, which would further integrate Koshi Province and North Bengal into a shared economic growth corridor. He emphasized the importance of continuing the dialogue and engagement in the days ahead.

Amal Mandal

Vice Chairman
Confederation of Indian Industry (CII)
North Bengal Zonal Council



Satish Mitruka

Chairman
Confederation of Indian Industry (CII) North
Bengal Zonal Council



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Amal Mandal, Vice Chairman of CII North Bengal Zonal Council, highlighted the human dimension of the India-Nepal border relationship, emphasizing that the border is not merely a trade route but a space of continuous movement and shared lives. He pointed out the daily cross-border movement of patients seeking healthcare, students pursuing education, traders engaged in commerce, and tourists exploring the region, reflecting the deep people-to-people connections between the two countries.

He stressed that healthcare, education, and tourism should not be viewed as secondary or “soft” aspects of bilateral cooperation, but as the core foundation of the partnership. Mandal called for smoother and more efficient cross-border movement mechanisms to support people’s mobility and encouraged stronger institutional collaboration, including partnerships between different chambers of commerce, healthcare organizations, and tourism sector stakeholders.



CROSS-BORDER SYNERGIES IN TOURISM AND HEALTHCARE

SPEAKERS:

Raj Basu, *Tourism Expert*

Sumit Sinhal, *Founder, Kins Hospital*



Raj Basu
Tourism Expert

Raj Basu, a leading tourism expert, emphasized the need to support primary producers through the reestablishment of open cross-border "haat-bazars". He recalled the historic Bahundangi-Naxalbari border checkpoint as a seamless mode of exchange before the Kakarbhitta border arrangement took shape.

He proposed extending the UNESCO World Heritage status of Mount Kangchenjunga as a shared heritage site between India and Nepal. He also highlighted the necessity of shared habitat conservation for wildlife such as elephants and red pandas, stressing that ecological systems do not follow political boundaries.

He further advocated for religious and spiritual circuits like Buddhist, Ramayana /Mahabharata and Shaktipeethas (Kalighat, Pathibhara and Kamakhya) circuits, while calling for smoother tourist mobility through better currency exchange managements, easier vehicle permits and collaboration on adventure tourism.



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Sumit Sinhal, Founder of Kins Hospital, highlighted the strong existing medical linkages between Nepal and India and called for a shift from simple medicine trade towards deeper collaboration in healthcare and pharmaceutical manufacturing. He proposed leveraging the healthcare and pharma capabilities of Siliguri and Sikkim to jointly serve wider SAARC and ASEAN markets.



He emphasized the need for policy reforms in Nepal's medical education sector to encourage Indian investment and partnerships, while urging both countries' medical councils to develop cross-border frameworks to address medical talent mobility and reduce brain drain. He introduced the vision of "Heal in the Himalayas", aligned with Nepal's Wellness Tourism 2027 initiative, promoting joint Indian-Nepali investments in wellness and healthcare institutions to attract patients from across India and the Asia-Pacific region.

Sinhal also called for a "Blue Corridor" to enable seamless 24/7 cross-border movement for medical emergencies, better coordination on medical insurance validity, and stronger cooperation in utilizing Nepal's herbs and medicinal plants within India's pharmaceutical supply chain. He stressed that industry collaboration with government support could unlock significant opportunities to make the Himalayas a global destination for healing and wellness.

Sumit Sinhal
Founder
Kins Hospital



THE KNOWLEDGE BRIDGE - EDUCATION AND HUMAN CAPITAL

SPEAKERS:

Dr. K.V. Rajendran Nair, *Principal, IIAS School of Management*

Shailaja Adhikari, *Managing Director, IEC Group, Nepal*

Ashish Thakur, *Chairman, Glocal Pvt Ltd*

Dr. K.V. Rajendran Nair Principal, IIAS School of Management, emphasized that the most powerful instrument for achieving shared prosperity between India and Nepal is the bridge of knowledge and education that connects the two nations. Highlighting the deep-rooted historical educational relationship between India and Nepal, with linkages tracing back to ancient centers of learning such as Nalanda University, he underlined that academic cooperation has long been a foundation of people-to-people ties. Noting that India remains a top destination for Nepali students, he proposed creating a "Siliguri Knowledge Corridor" leveraging North Bengal's unique geography. Dr. Nair called for dual-degree programs, joint research initiatives, and rigorous skill-mapping to bridge the gap between industry and academia.



Dr. K.V. Rajendran Nair
Principal
IIAS School of Management

Shailaja Adhikari, representative of NICCP's Education and Human Capital Development Committee, continued the session by highlighting the often-overlooked role of human capital development in India-Nepal relations, noting that discussions frequently focus more on infrastructure and trade only. She emphasized the need to strengthen

practical training opportunities, particularly in sectors like hospitality, where Nepali students often seek internships abroad despite the vast opportunities available within India's hospitality industry.

She also highlighted the challenges faced by Nepali youth and startups, including lack of mentorship,

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institutional support, and financial guidance. Adhikari proposed establishing joint startup incubator centers in Nepal and India through collaboration among organizations like AIDIA, NICCI, CII and other stakeholders, where young entrepreneurs from both countries could exchange ideas, receive mentorship from Indian experts, and build stronger cross-border innovation networks. She also stressed huge, untapped potential for collaboration in creative, tech, and film industries.

Shailaja Adhikari
Managing Director
IEC Group, Nepal



Ashish Thakur, Chairman of Glocal Pvt Ltd, began by emphasizing the importance of strengthening Nepal-India cooperation through education, skills development, innovation, and cross-border partnerships. He emphasized that regional cities such as Siliguri play a crucial role in advancing bilateral relations and should be central to future collaboration. He argued that Nepal has significant potential to emerge as a regional education hub through affordable transnational education programs.

Thakur called for greater student, faculty, research, and knowledge mobility between Nepal and India, as well as stronger collaboration in skill development, startups, and artificial intelligence. Thakur advocated integrating education with tourism, entrepreneurship, and innovation, while addressing Nepal's growing talent shortage. He also highlighted Nepal's policy allowing 100 percent FDI in higher education and encouraged Indian

Ashish Thakur
Chairman
Glocal Pvt Ltd

investment in the sector. Apart from plans to form South Asia Talent Hub, he recommended for establishing Nepal-India Education and Skills Council, promoting joint educational investments, organizing education and innovation summits, supporting startup collaboration, and ensuring mutual recognition of academic qualifications between the two countries.



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SPECIAL ADDRESS & INTERACTIVE SESSION

SPEAKERS:

Kuber Chalise, *Research Director, Asian Institute of Diplomacy and International Affairs (AIDIA)*

Hon. Parash Mani Gelal, *Member of Parliament, House of Representatives, Nepal*

Kuber Chalise, Research Director of AIDIA opened the final session by thanking the Honorable MP for attending the Dialogue despite his busy schedule back in Kathmandu. Chalise emphasized that true economic diplomacy must occur between the bordering states - such as Koshi Province and West Bengal - rather than being confined to high-level talks in Delhi and Kathmandu.

Chalise was of the view that the dialogue between Koshi Province and West Bengal will be more fruitful and facilitating than the dialogue between New Delhi and Kathmandu because the political centers may not understand the local pain. Since ages, the people from across the borders have been involved and engaged into trade, education, using medical facilities without even being noticed by Kathmandu and New Delhi.

Thus, he argues that the years of engagement should be formalized and move towards the shared prosperity. He also promised that this dialogue is just a starting point and will continue with the constructive dialogue to facilitate more social and economic development for our shared prosperity.

Chalise also committed to compiling the day's practical, outcome-oriented discussions into a formal document for the MP to present to the Nepali parliament to aid in policy drafting.



Kuber Chalise

Research Director

Asian Institute of Diplomacy and International
Affairs (AIDIA)

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Hon. Parash Mani Gelal, Member of Parliament, Nepal delivered the special address, expressing deep appreciation for the candid and practical suggestions raised by the industry captains of both the nations. Acknowledging both the positive developments and the structural frictions, he stated his preference for viewing the bilateral relationship as a "glass half full."

MP Gelal affirmed that Nepal is highly open to collaboration, specifically welcoming Indian investments. His core message was clear: Nepal is rapidly changing, highly welcoming, and open for business and cross-border partnerships across all discussed sectors. He said the new government is ready to welcome Indian investment in Nepal and reaffirmed Nepal's commitment to reviewing and updating existing policies to support greater cooperation and progress.



Hon. Parash Mani Gelal
Member of Parliament
House of Representatives, Nepal



INTERACTIONS AND INDUSTRY INTERVENTIONS

Following the structured addresses moderated by chair of Real Estate and Logistic Panel, CII North Bengal Zonal Council **Laxmi Limbu Kaushal**, the Dialogue opened the floor to industry leaders to state their commitments and pose questions to the panel:

Pradeep Purohit (Star Cement) and **Mukesh Sharma** (Pidilite) introduced their respective manufacturing capacities, highlighting the massive industrial scale currently operating in the Northeast and North Bengal that is primed for cross-border supply chains. They also expressed their interest in investing in Nepal. They also informed the sideline talks they are having with Nepali authorities. Mr Purohit also reminded the usefulness of Bangladesh – Bhutan – India – Nepal (BBIN) framework.

Avishek Datta (Santa Banta Dhaba) pointed out the immense, untapped scope for cross-border Food & Beverage tourism, noting the massive movement of students and tourists that require trusted, regional brands. He showed his interest in establishing Nepali cuisine chain in India, and also expressed interest in expanding his chain to Nepal.

Naresh Aggarwal (Ram Niwash Group) highlighted recent concrete cross-border investments, announcing a newly signed real estate project with Nepal's Chaudhary Group (CG) for new JW Marriott Hotel, proving that "conversation to contract" is actively taking place. He also stressed that education as one of the sectors that has potential for immediate collaboration.

Anil Kumar Shah, Senior Vice President of the Morang Merchant Association, shared his experience and insights on promoting trade and tourism between Eastern Nepal and West Bengal.

Laxmi Limbu Kaushal thanked the Nepal delegates, and the CII delegates for actively taking part in the Dialogue. She promised to continue the Dialogue.

The session concluded with an understanding to institutionalize the Dialogue, aiming for a standing business forum meeting at least once a year, if possible, twice a year, alternating between Siliguri and Nepal, ensuring that the momentum generated yields visible investment decisions and outcome-oriented engagement on the ground within the next 12 to 24 months.



Laxmi Limbu Kaushal

Chair, Real Estate & Logistic Panel
Confederation of Indian Industry (CII)
North Bengal Council

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Key Takeaways:

1. Continue and strengthen the dialogue and engagement
2. Ensure that education, healthcare, and tourism receive equal focus alongside trade and transit as key pillars of bilateral cooperation and people-to-people connectivity.
3. Regular dialogues and institutional engagement between border regions and economic hubs can facilitate the smoother movement of people and goods, while addressing practical challenges faced by businesses and communities.
4. Encouraging joint investment initiatives and stronger collaboration among bordering states and provinces can unlock new opportunities in sectors such as infrastructure, energy, tourism, agriculture, and services.
5. Sustained cooperation between the private sector, chambers of commerce, and regional institutions will be crucial in transforming border areas into engines of economic growth and partnership.

Glimpses of the program



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