

Bio-trade and green economy: a business perspective:

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Rich in natural resources:

Himalayan kingdom Nepal is bestowed with rich natural vegetation. Thirty-five percent of country is covered by forest and forest contributes about fourteen percent in the GDP. Similarly, country's forest is enriched with about 7000 plants species, of which 700 are known to have medicinal properties which are traded as biological plant materials. (Flora of Nepal Work Plan 1997).

This natural flora had been contributing significantly in the health care and cash income of the people since historic period.

These plants are found in the sub-tropical temperate and alpine regions of the country and belongs to the economic value which has been categorized as of Non-Timber Forest Products (NTFPs).

Bio trade potential of Nepal:

- In broad category Bio logical products from Nepal are used in following purposes and as industrial raw material producing different products starting from health care to natural fiber.
- Medicinal herbs like Chiraita, Calamus, Asparagus
- Spices like, wild ginger, Piper longum etc
- Essential oils: Jatamansi oil, Cinamom oil, Calamus oil, Wintergreen oil etc.
- Natural dyes: Maddar root , Berberis bark and Rhubarb etc.
- Food supplement: Morale mushroom, Asparagus etc.
- Handicrafts: Bamboo, rattan, cane, Sabai grass
- Fruits: Lapsi, Wild plum
- Natural fiber: Hemp, Nettle, Daphne and others
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World Market

- It is estimated that every year more than 20 thousand Tones of NTFP are collected and of which 85 % is exported to India in raw or semi-processed form through formal or informal sources.
- About 5 percent of collection are exported to third country and 10% are used in domestic market and exported to international market.
- The government of Nepal generates approx 15-20 million rupees per year from NTFP, about 600 million rupees worth NTFPs are traded every year (Kanel and Shrestha).Majority of the trade is yet to be officially recorded.

Increasing world demand:

- Studies carried out by several entities in different years on trading of NTFP particularly medicinal and aromatic plants revealed with the figures of increasing trend and this has been confirmed by various international bodies such as the United Nations Food and Agriculture Organization, Traffic International, the U. S. Department of Agriculture, and various trade agencies. It was estimated at 600 billion US dollars worth botanical products are traded in the world.
- The U.S. Herb Research Foundation reports that the market for herbs has expanded by up to 35% annually from the base year 1990s.

Existing legislation on the Bio- trade

- CITES; Convention on Internationally Traded Endangered Species
- Forest Act-and Regulation
- Export Import Control act.
- Income tax act
- Customs Act

Quality certification:

- Sanitary and Phyto-sanitary certificate(SPS)
- Organic Certificate
- Chemical content certificate
- Material safety certificate

Challenges and way forward

Challenges

- Accreditation of the certifying lab is yet to be done
- Absence of in country Laboratory facility and costlier certification from India and abroad
- Value addition business yet to be expanded in larger scale e.g extraction of pure chemicals from herbs and plant is not yet commercialized
- Sustainability of raw material supply from the natural stock, because of over harvesting and destructive harvesting practice.
- Competition from neighboring country in conventional essential oil marketing e.g. Mentha, Palmarosa, Lemongrass

Way forward:

- Nepal can get benefit from the growing demand of natural products in the world.
- Government priority to expand cultivation of medicinal and aromatic plants
- Sustainable harvesting practice need to introduced for the sustainable supply of the material .
- IPR/ TRIPs, and Geographical Indication (GI) need to be enforced
- Export incentives required for the promotion of the bio trade from Nepal
- UNEP required to support Nepal in establishing sustainable harvesting practice and cultivation of the NTFPs and forest products.