



- (i) respecting each other's core interests and major concerns, enhance mutual trust and promote win-win cooperation to realize prosperity and development;
- (ii) cooperation to inject new vigor in economic and social development in accordance with each other's applicable laws and international obligations;
- (iii) strengthening connectivity and mutual support, draw on each other's strength and best practices by making full use of the existing bilateral mechanisms, regional cooperation mechanisms and multilateral forums where applicable.

Article II: Areas of Cooperation

The two sides agreed to facilitate cooperation in the following areas:

- I. **Policy Exchanges:** Carry out dialogues and exchanges in areas of major development strategies, plans and policies.
- II. **Facilities Connectivity:** Strengthen cooperation for connectivity by enhancing cooperation on transit transport, logistic systems, transport network security and related infrastructures development through joint studying and promoting cross border infrastructure projects, including railway, road, civil aviation, power grid, information and communication. Also push for the development of major projects beneficial to both sides and strengthen mutual recognition of standards and information sharing.
- III. **Trade Connectivity:** The two sides shall conclude the joint feasibility study of China-Nepal Free Trade Agreement within 2017 and if viable, will start negotiations on the Free Trade Agreement (FTA) to further open up markets and expand two-way trade, with a view to achieving a win-win outcome; establish cross-border economic cooperation zone at the existing ports; improve investment landscape with a view to developing mega projects in the areas of power generation, water conservancy, road, railway line, cross-border transmission line, information and communication technology infrastructures etc., strengthen bilateral cooperation on customs, entry and exit control, inspection and quarantine and mutual recognition of standards as well as certification and accreditation.
- IV. **Financial Integration:** The two sides shall endeavor to expand the use of national currencies in bilateral trade transactions and investment according to practical situation. The two sides shall encourage financing support and service for investment and trade cooperation, and provide facilitation and