In the fiscal year of 2074/75 Nepal imported 488,675 Kilo Litre (KL) of petrol, 1,588,869 KL of Diesel and 370,560 Metric Ton of LPG compared to the fiscal year of 2073/74 where Nepal imported 407,270 KL of petrol, 1,319,873 KL of Diesel and 312,928 MT of LPG. Within one fiscal year the import of petrol and diesel increased by approximately 20% and import of LPG increased by around 18.5%. Similarly, when we analyzed the data for the last ten years, the import of petrol has increased by around 280%, diesel by 225% and LPG by 220% (Nepal Oil Corporation). Furthermore, according to Nepal Rastra Bank, Nepal spent Rs.170 billion in the fiscal year of 2074/75 on fossil fuel imports, which is an increase of an astounding 43% in just one year i.e. from the fiscal year of 2073/74. This is a clear indication that the consumption trend of fossil fuel in Nepal is on a steep increase.

BAGMATI PROVINCE:
PROSPECT OF BEING FOSSIL FUEL FREE IN THE VEHICULAR SECTOR BY 2030

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Petrol Import for last 10 years in Nepal

Source: Nepal Oil Corporation
The primary sources of energy in Nepal are biomass, petroleum products, coal and hydropower. It is safe to say that Nepal predominantly uses fossil fuel for its energy demands. Currently, the world is making a switch to renewable sources as their major source of energy due to the effects of fossil fuel consumption on global climate crisis and Nepal’s plans are no different.

In order to curb Nepal’s energy consumption from fossil fuel; transportation sector is one of the major areas where policy makers are trying to drastically reduce the use of fossil fuel.

According to the Nationally Determined Contributions (NDC) as commitment of Government of Nepal to the Paris Climate Agreement, “By 2050, Nepal will decrease it dependency on fossil fuels in the transportation sector by 50%.” To take this a step further, Bagmati Province has asserted in their Policy and Programs publication for the year 2075/76 as well as in the Budget Speech for the year 2076/77 and is the only province to announce “By 2030, there will be an effective ban on vehicles that run on petroleum products in cities such as Kathmandu, Hetauda, Banepa, Dhulikhel and Panauti.”

In order to achieve this monumental goal, Bagmati province has formulated policies where they have decided to start provincial public transportation system with an understanding between the private, co-operative and government stakeholders. Moreover, the province government has also dedicated subsidies to construct and run Electronic Mass Transit Systems for the efficient operation of public transport. Additionally, the province government plans to levying fuel tax to vehicles that run on fossil fuels and provide tax breaks for Electronic vehicles and other non-motorized vehicles in an attempt to switch private vehicle owner from owning fossil fuel run vehicles to other alternative vehicles.

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