Government of Nepal
Ministry of Commerce and Supplies

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EIF NEPAL
NECTRADE Newsletter

Nepal Enhanced Capacities for Trade and Development (NECTRADE)

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Training in Trade in Services

EIF Nepal Focal Point, NIU Chief and other officials at the training programme on Trade in Services

> "Since growth of trade in services accelerates economic activities of the country and contributes to socioeconomic development, poverty alleviation and merchandise trade, all concerned should make coordinated efforts to develop and promote export potential sectors."

A training-cum-seminar on trade in services, with special focus on domestic preparations and consultations after WTO MC9, was organized and hosted by the NECTRADE Project in Kathmandu on December 30–31, 2013.

Papers were presented on some basic provisions of trade in services under the WTO, some crosscutting issues and on the status of some of the sectors recommended by NTIS 2010, the potential sectors which could benefit from export, domestic and external problems, and the actions to be taken. Presentations were made by Mr Prachanda Man Shrestha on tourism, Professor Dr Vidyanath Koirala on education, Dr Sushil Koirala on health, Dr Chiranjeevi Nepal on labour and Mr Manohar Bhattarai on IT and BPO.

The programme witnessed intensive discussions and interactions among participants on various interrelated subjects such as the concept of service trade and provisions of the WTO and regional trade arrangements, concessions and facilities that LDCs were entitled to, the preparations that Nepal should make to get such concessions and facilities, as well as on the service sectors recommended as potential areas by NTIS 2010.

Speaking at the programme, Commerce Secretary Mr Madhav Prasad Regmi said that since growth of trade in services accelerates economic activities of the country, and also contributes to socio-economic development, poverty alleviation and merchandise trade, all concerned should make coordinated efforts to develop and promote export potential sectors.

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MESSAGE

Trade is an engine of economic growth in the dynamic and globalized world of the twenty-first century. It is also a key to expanding people's horizons, performance and choices. Trade is a crosscutting issue and also an opportunity, which needs coordinated efforts from all actors for its development. Therefore, integrating and mainstreaming trade in national development planning and strategy can help create a positive impact on overall human development. The volume of international trade, particularly export trade, has positive relationship with GDP of a country. In this context, mainstreaming trade in policies, institutions, programmes and activities at central, regional and local level with an effective coordination mechanism is highly desired.

The newsletter can be an effective instrument for disseminating the progress of the project. I would like to thank the entire NECTRADE team and NIU for making this issue of Newsletter possible.

Madhav Prasad Regmi
Secretary, MoCS, and
EIF Nepal Focal Point

MESSAGE

In order for the country to receive the concessions and facilities as an LDC under the WTO, MoCS and the NECTRADE Project have been doing necessary groundwork and holding a series of dialogue with developed countries and other related organizations. In this course, it has identified the concessions and facilities it should receive. Furthermore, discussions and dialogue with stakeholders, orientation and interactions with people working in trade sector development are taking place regularly. Integrating trade into national development process is not a responsibility of a single agency, but needs concerted efforts of all development partners. Therefore, both MoCS and the NECTRADE Project are continuously striving to mainstreaming trade into the national development process. The project reflects its progress and performance through government and EIF reporting mechanisms, media and its in-house newsletter, *NECTRADE Newsletter.*

Toya Narayan Gyawali
Joint Secretary, MoCS, and
NIU Chief, EIF Nepal

EDITORIAL

Enhanced Integrated Framework (EIF) has become a means to bring all stakeholders together in the area of trade sector development for addressing supply side capacity constraints of LDCs through its Tier 1 and Tier 2 project modalities. The EIF Tier 1 (NECTRADE) Project in Nepal has taken various initiatives to enhance trade capacity of the country by building the capacity of human resources involved in trade sector development, strengthening institutional set-up and mainstreaming trade in national development process. The EIF NECTRADE Newsletter can be an important outreach material to share major achievements of EIF Nepal. In addition, it is expected to raise awareness and interest in trade sector development of Nepal among all agencies concerned and stakeholders. This issue of newsletter highlights the major activities and initiatives taken by the NECTRADE Project during the second half of the year 2013.

Buddhi Prasad Upadhyaya
National Programme Manager
NECTRADE, EIF Nepal

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Similarly, Joint Secretary of MoCS Mr Toya Narayan Gyawali informed the gathering that MoCS has started doing necessary groundwork to hold dialogue with the developed countries by identifying the facilities the country is entitled to receive under the WTO service waiver.

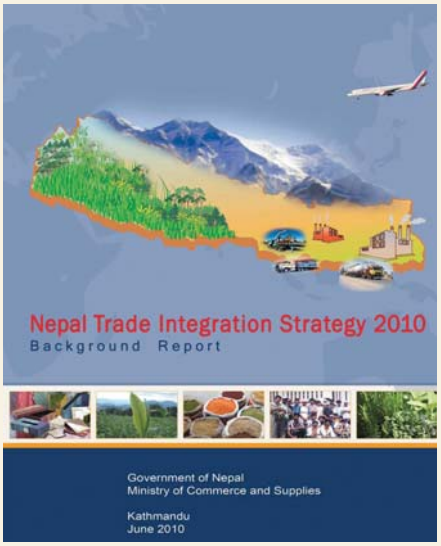
Joint Secretary of MoCS Mr Jib Raj Koirala expressed his opinion that the service trade arrangements of SAARC are more liberal than those of the WTO. He added that Nepal needs to cash in on the opportunities offered by the international trading system by strengthening its position.

Joint Secretary Mr Gyawali responding to the queries of the participants

Mr Shanker Das Bairagi, former permanent representative of Nepal for the Geneva-based WTO and currently Officiating Foreign Secretary of the GoN, Ministry of Foreign Affairs, remarked that the decision of the 9th Ministerial Conference of the WTO paved the way for the LDCs to receive concessions and facilities from developed countries. Furthermore, he said that all LDCs need to make additional preparations to benefit from them.

The programme was attended by representatives of the Ministries concerned, other government agencies, regulatory agencies of the services sectors, private sector and trade-related journalists. ■

NTIS 2010
Review and update initiated



Review and update of Nepal Trade Integration Strategy (NTIS) 2010 has been formally started after the National Steering Committee nodded in this direction. The Project, however, had been performing background work and making needed preparations for the past one year in collaboration with MoCS. The 11th NSC meeting on November 11, 2013 directed the MoCS to update NTIS 2010 within six months based on specific indicators and facts. This is to be done by preparing an implementable action plan through an analysis of the research done so far on export potential goods and services. The action plan will include a time-bound target of export for each good and service, activities required, major responsible agencies, supporting agencies, timeframe, assurance of resources and expected outcomes. All line ministries and departments would help the MoCS throughout the update process and further.

The decision regarding the formation of a task force has proved to be a major step in the process of NTIS 2010 review and update. The 10th NSC meeting on August 18, 2013 decided to constitute a task force, which would be entrusted with the task of analysing and presenting a report comprising key suggestions on NTIS 2010, overall condition of Nepal's export trade and other trade-related issues. The task force, led by Secretary of the Office of the Prime Minister and Council of Ministers (OPMCM), Mr Surya Prasad Silwal, presented a report at the 11th NSC meeting, which paved the way for NTIS 2010 review and update. Notices for the selection of national consultant and inviting suggestions from the stakeholders for wide consultation have been published in national dailies. Besides these, NTIS 2010 and its review has been discussed in almost every programme of NECTRADE for orientation, as well as for collecting feedback from the stakeholders concerned.

The Government of Nepal has formed two levels of committees to coordinate, manage and conduct the task of review and update of NTIS 2010. An NTIS Review and Update Steering Committee has been established under the leadership of Commerce Secretary in order to provide overall guidance, coordinate and manage the entire task. The committee comprises Joint Secretaries (Coordinators of six EIF Technical Committees and Joint Secretaries some other relevant ministries) from concerned ministries and agencies, representatives from private sector, Donor Facilitator and also expert member to ensure the effective coordination and quality assurance of the entire task. Similarly, an NTIS Review and Update Technical Committee has been formed under the leadership of Joint Secretary and NIU Chief, MoCS to work closely with the national and international expert and provide regular feedback for the task. The committee includes WTO Focal Points from Ministry of Agricultural Development, Ministry of Finance, National Planning Commission, Ministry of Industry and some officials from MoCS. Both the committees can invite concerned officials and experts in the meeting as per the need. In addition, the EIF National Steering Committee will also oversee the entire task of the NTIS Review and Update and provide necessary feedback as required. ■

Major procedures to be followed in the review and update of NTIS 2010

- Discussion on NTIS Review and Update agenda in different forums.
- Hire a national expert and prepare inception report (Indicators and modality).
- Public notice for collecting views from stakeholders to explore new areas of export potentiality and also to improve action matrix.
- Conduct necessary literature review including the previous studies carried out by different sectors on export potential products.
- Obtain short time services of international consultant at the beginning, mid and final stages of the entire process.
- Stakeholders' consultation programme, including line agencies, private sector, experts and DPs.
- Focus group discussions in particular sector and issues, joint dialogues and interaction at central and local level with concerned agencies and stakeholders.
- Analyse information and prepare draft report covering all areas as per ToR of national expert.
- Regular discussion in NTIS Review and Update Technical Committee and Steering Committee.
- Discussion on draft with key agencies/stakeholders and EIF NSC meeting.
- Organize validation workshop.
- Finalize the review and updated strategy with support from international expert.
- Recommendation from NSC and Approval from GoN (Council of Ministers).
- Publish the updated NTIS in English and Nepali languages.

EIF-NEPAL NSC MEETINGS
HAT TRICK IN A SINGLE YEAR!

EIF Nepal National Steering Committee meeting in progress

The 10th and 11th meetings of the EIF Nepal National Steering Committee (NSC) was held on August 18, 2013 and November 11 2013 respectively at the OPMCM. Both the meetings were chaired by Chief Secretary of GoN, Mr Leela Mani Poudyal. The 10th NSC meeting approved the decision of TAC 2 meeting regarding not selecting any EoIs collected through public notice since none met the expectations and criteria of the NSC. The meeting took another important decision to constitute a task force that would analyse and present a report comprising key suggestions on NTIS 2010, overall condition of Nepal's export trade and other trade-related issues.

Similarly, at the 11th meeting of the NSC, the report of the task force which was formed on the basis of the decision taken at the meeting of the EIF National Steering Committee held on August 18, 2013, was presented and discussion held on it. The assurance of resources and coordination of programmes as per the requirements of the implementation plan, the National Planning Commission, Ministry of Finance and MoCS were discussed, and a plan for additional allocation of budget while formulating budget for the upcoming year was chalked out. Likewise, sectoral ministries were to incorporate activities as mentioned in NTIS 2010 with their annual programme and budget. They were to focus on designing an integrated development goal and specified quantifiable results by incorporating the areas of export trade development in their sector-specific policies, programmes and activities.

The 11th NSC meeting also decided that NTIS 2010 will be updated within the next six months on the basis of specific indicators and fact-based analysis. While updating the strategy, the MoCS shall prepare an implementable action plan on the basis of analysis of the research done so far on export potential goods and services. The action plan will include a time-bound target of export for each good and service, activities needed, main responsible agency, supporting agency, time required, resource assurance and expected results. MoCS will prepare status reports on product development and export promotion efforts made through different ministries and will take necessary action to coordinate all efforts. All the ministries and programmes concerned will help and facilitate the process.

At the next Steering Committee meeting, the implementing agencies will inform about the progress and achievements made so far with the budget allocated by the GoN to implement NTIS 2010.

The meeting observed participation from different line ministries, including MoF, MoI, MoAD, MoFA, MoLJCAPA, OPMCM, NPC, NRB, PACT-MoAD, MEDPA-MoI, HVAP-MoAD, AEC-FNCCI, FNCCI and CNI.

The 9th EIF–Nepal NSC meeting was held on January 6, 2013. This way, trade agenda has been taken with much importance and discussed at the high level frequently. As a result, the NSC meetings under the chairpersonship of the Chief Secretary of GoN were held three times in the year 2013! ■

Website of EIF Nepal to be launched soon

A new website has been developed for the NECTRADE Project. The website, www.eifnepal.gov.np, is going to be launched at the launching ceremony of Pashmina Project and EIF Nepal Trading Story, which has been scheduled for March 10, 2014 in Kathmandu. The website is expected to complement the efforts of national and international partners in the trade sector development of Nepal. Along with the website, the NECTRADE Project has received a new email address: info@eifnepal.gov.np ■

LOCAL-LEVEL ORIENTATION AND TRAINING FOR ECONOMIC JOURNALISTS

An Orientation and Training Programme on International Trading System, Contemporary Trade Issues and Role of Media in Trade Sector Development of Nepal was held for local trade journalists in Itahari on December 28, 2013. The objectives of the training were to enhance the capacity of economic journalists working on the trade sector, to identify the challenges being faced by traders of Sunsari and surrounding areas, and to collect suggestions about the prospects of the region in the review and update of NTIS 2010 and on measures to facilitate implementation of NTIS 2010.

Commerce Secretary Mr Madhav P Regmi giving his remarks at the local-level training programme for Trade Journalists in Itahari, Sunsari

In the first session, *World Trading System, Major Provisions and Nepal's Export Potential*, presentations were made by Mr Ravi Bhattarai, Under Secretary, MoCS, titled 'A Brief Introduction to the World Trading System: Nepal's Participation in International Trading System and its Importance in Nepalese Context'; by Mr Buddhi Prasad Upadhyaya, NPM-NECTRADE Project, MoCS, titled 'Nepal Trade Integration Strategy 2010 (NTIS 2010), its Implementation Status, Review and Update Initiation and Role of Media for Effective Implementation'; and by Mr Binod Aggrawal, a representative of Itahari Chamber of Commerce and Industries, titled 'Major Export Potentiality of Eastern Region, Efforts and Initiatives taken from Local Business People and Expectations from the Centre'.

In the second session, *Contemporary Trade Issues and Role of Media in Trade Sector Development of Nepal*, the papers presented were 'Linkage of Local Trade News with Central Issues and International Trade Scenario', by Mr Bigyan Adhikari, President, SEJON; 'Efforts from Local Media in Trade Sector Development, Major Issues to Trade-related News Coverage at Local Level and Expectation from Central Level', by Mr Amar Khadka, a local trade journalist; and The Current News Reporting Trend and Role of Trade Journalists in Trade Sector Development of Country, by Puspa Acharya, Secretary General, SEJON.

Participants at the training for economic journalists

Commerce Secretary Mr Madhav Prasad Regmi remarked that the local media is the voice of common people and sends message to the central government and decision-makers by identifying the real needs of the grass roots level people. So, accurate reporting by local journalists can hugely help in socio-economic transformation of society.

Similarly, Joint Secretary of the MoCS Mr Toya Narayan Gyawali stressed the importance of the correct use of statistics, identification of problems and sharing of suggestions that benefit all by the local media.

Secretary, Joint Secretary, Under Secretaries and Section Officers of MoCS, representatives of SEJON, local trade journalists and representatives of the private sector participated in the orientation and training programme. ■

Local-level Interaction Programme on NTIS 2010 and Export Trade Development

Local-level Interaction Programme on NTIS 2010 and Export Trade Development, was held in Biratnagar on December 27, 2013 and in Birtamod on December 29, 2013.

At the programme, Mr Buddhi Prasad Upadhyaya, NPM of NECTRADE, presented a paper The Role of Local Level in the Implementation and Mid-term Review of NTIS 2010. In his presentation, he dwelt on the existing policy and institutional provisions for Nepal's trade promotion, background to NTIS 2010 and its special features, goods and services with export potential identified by NTIS 2010, the four sectors that need to be simultaneously addressed to make exports competitive, status of Nepal's international trade, achievements, contributions of GoN's regular programmes, major weaknesses in the implementation of NTIS 2010 and the way forward.

Mr Toya Narayan Gyawali, Joint Secretary of MoCS, informed the gathering that most of the activities related to interrelated sectors had either been accomplished or were in the process of implementation. Similarly, initiative had been taken for designing and registering a common trade logo for major exportable goods and also for capacity building on laboratory for testing quality of goods, SPS and TBT, and efforts were being made for inter-agency coordination and trade

Participants discussing a point at the local-level interaction in Biratnagar

mainstreaming in the export business sector in six EIF Technical Committees and 16 related agencies through WTO Focal Point. He pointed out that the, by allocating budget for implementation of NTIS 2010 in its budget for FY 2067/68, the GoN has laid stress on registration of common trademarks for various export potential goods such as *Pashmina*, tea, coffee; on strengthening and upgrading of laboratory; and on holding dialogue and discussions with neighbouring countries for trade expansion. He pointed out that a few ministries concerned with NTIS 2010 had introduced provision for budget for implementation of NTIS 2010. He also stressed the importance of communication of positive messages by the local media by promoting the positive aspects of trade.

Participants at the local-level interaction programme

Mr Ravi Bhattarai, Under Secretary of MoCS, made a presentation, outlining the WTO provisions, the expectations of the private sector, local bodies and other agencies. The expectations included clear information and proposals on the export potential goods and services available in Morang district and surrounding areas; collaboration regarding the activities for the development of the goods and services identified in NTIS; and the activities that could be done at local level.

The programme agreed upon the indicators for identifying new potential goods and services; activities to be carried out and support to be provided by the District Administration Office and customs office to build a competitive business environment at district level and to adopt an export-friendly working approach; and topics to be incorporated by the DDC in its policy and programme based on NTIS 2010.

Commerce Secretary Mr Madhav Prasad Regmi, Chief Guest at the interaction programme in Birtamod, informed the participants about the formation of mechanism to discuss the emerging trade-related issues and solve problems. The interaction programme at Birtamod was chaired by Mr Balaram Karki, President of Birtamod Chamber of Commerce and Industries, whereas that in Biratnagar was chaired by Mr Avinash Bohra, President, Morang Merchant Association. ■

Flanders International Trade Fair
Strengthening Nepal-Belgium economic knot

Under the leadership of Hon. Minister of Commerce Shanker Prasad Koirala, a high-level Nepalese Delegation comprising Joint Secretary of MoCS Mr Toya Narayan Gyawali, Joint Secretary of MoI Mr Jeet Bahadur Thapa and senior official of the Government of Nepal, participated in Flanders International Trade Fair held from September 14 to 22, 2013 in Gent, Belgium. Nepalese delegation participated in a number of events in their four-day stay during the trade fair. On September 14, 2013, Hon. Minister S P Koirala inaugurated the programme and addressed the opening ceremony, which saw participation of about 700 eminent personalities from across the globe, including the representative of the King of Belgium, Hon. Dy. Prime Minister Pieter De Crem, Vice Governor of East Flanders Province and Mayor of Gent City. Both the Hon. Dy. PM of Belgium and Hon. Minister S P Koirala inaugurated the Nepali Pavilion. Nepal was allotted a space of 1,048 sq m for free on account of its 'Country Guest of Honor' status. Nepali classical dance and cultural event immediately followed the opening session. Thereafter, the guests and prominent personalities visited all 33 Nepali stalls. Flanders International Trade Fair has become highly important because it was the 50th year of the establishment of Nepal–Belgium bilateral relations.

Hon. Minister of Commerce Shanker Prasad Koirala meeting with the Development Commissioner of European Union Hon. Andris Piebalgs in Brussels

Former President of FNCCI Mr Kush Kumar Joshi had coordinated Nepalese participation in the event.

The second day of visit was marked by the programme organized by the Governor of East Flanders Province Mr Jan Bries for welcoming Nepalese delegation and interacting with them. H.E. Ram Mani Pokheral joined Minister Koirala's team in the programme. On the third day, Nepalese delegation met with the Development Commissioner of European Union (EU) Hon. Andris Piebalgs in Brussels, who assured continuation and extension of EU's efforts in Nepal's development. Hon. Minister S P Koirala lauded role and contribution of EU that it has been playing in the development of LDCs and Nepal. He stressed that the Trade and Economic Capacity Building (TECB) Project needs to be considered and started soon for the intervention in trade sector. Likewise, on the fourth and final day of the visit, the Nepalese delegation participated in an interaction programme in Hague organized by Non-resident Nepalese residing in Belgium and Netherlands. Minister Koirala urged NRNs to take the lead in the socio-economic transformation of Nepal through transfer of knowledge and technology and bringing in foreign investment into the country. ■

Nepalese delegation and NRNs at the interaction programme

9th WTO Ministerial Conference CONCLUDES IN BALI

Nepalese delegation at the Bali WTO Conference

A high-level Nepalese delegation under the leadership of Hon. Minister Shanker Prasad Koirala participated in the 9th WTO Ministerial Conference (MC9) in Bali, Indonesia from December 3 to 7, 2013. The delegation constituted of Commerce Secretary Mr Madhav P Regmi, Joint Secretary of MoCS Mr Toya N Gyawali, representatives from the Permanent Mission of Nepal in Geneva H.E. Shanker Das Bairagi, Mr Manoj Acharya, Under Secretaries and officials from MoCS and agencies concerned. Nepal, being the coordinator of LDCs, played a key and constructive role in raising the issues of LDCs and getting the 'LDCs Bali Package' approved by the ministerial conference. Nepalese delegation worked hard during the entire process of negotiation, which paid off the LDCs as a whole and helped to make MC9 a success.

Nepal had undertaken the role of LDCs' Coordinator for the first time after joining the WTO in 2004. Seven other LDCs had assumed the role of LDCs Coordinator prior to Nepal. The declaration of MC9 consists of three different parts; Regular work under the General Council, Doha Development Agenda and Post Bali Work. ■

Enhancing language skills
Matching the global standards

NECTRADE Project has been trying to enhance the quality of English of government officials through an effective English language training programme. The training kicked off on September 9, 2013, and lasted for fifteen working days, two hours per day, within the MoCS premises. For this purpose, the Project sought the services of English for All (EFA), whose highly skilled and experienced native English trainers, Ms Susan Deith and Ms Jade Matos Carew, planned the sessions and prepared study material spread across 33 hours of teaching. Both the teachers fulfilled the expectations of the participants and met the objective of the training. The objective of this training course was to improve the English language skills and confidence of the participants when interacting with peers, international delegates, donors, representatives from various organizations and stakeholders, among others, while discharging their duties or with a view to studying or working abroad. The training was provided under four different heads: Writing, Grammar, Reading and Listening as well as Speaking skills.

Similarly, some of the officer and junior-level staffs of the Ministry participated in the English training programme at the Universal Language and Computer Institute (ULCI) for one month in September 2013. It was aimed at improving the overall English language ability through unconventional and effective training mechanism, which was based on the exercise of the University of Cambridge. The training helped participants to use English correctly in day-to-day life and to be more proficient in office communication. ■

MoCS officials and staff attending one of the English Training classes

NECTRADE continues support to National Trade Actors and Initiatives

NECTRADE organized a workshop on Promoting Nepalese Products in International Market jointly with the IBN Media and Research Pvt. Ltd. on October 30, 2013. Hon. Minister S P Koirala was the chief guest at this programme. He exhorted non-resident Nepalese to pour in more capital into the landlocked country and contribute as much as possible by promoting trade and commercial activities between Nepal and country of their residence. Joint Secretary Mr T N Gyawali, Under Secretaries Mr Ravi Bhattarai and Mr Chhabindra Parajuli, NPM of NECTRADE Mr Buddhi P Upadhyaya and other officials from the MoCS participated in the Programme. Mr Ravi Bhattarai made a comprehensive presentation, in which he stressed the role of NRNs in the economic development of Nepal. He informed the NRNs about the attractive sectors for FDI in Nepal and potential benefits. At the programme, market access in overseas market for the promotion of NTIS 2010 identified products was focused. NRN Association actively participated in the workshop through its delegates and office-bearers in Kathmandu.

Likewise, the project organized a National Consultation Workshop for Women Entrepreneurs in collaboration with FWEAN in Kathmandu on October 24-25, 2013. Mr Ravi Bhattarai, Mr Chhabindra Parajuli, Mr Buddhi P Upadhyaya and Ms Laxmi K Shahi took part in the workshop representing the MoCS. Speaking at the workshop, Mr Buddhi P Upadhyaya said that women entrepreneurs are the pillars of economy in any developed country and Nepal should also encourage women entrepreneurs. He also highlighted the role of women entrepreneurs in accelerating industrial growth in Nepal, particularly small and medium enterprises.

Participants at the National Consultation Workshop for Women Entrepreneurs

In addition, the 9th WTO Ministerial Conference, its preparation and developments were closely watched and followed by both MoCS and NECTRADE. EIF Nepal Focal Point and Secretary of MoCS Mr Madhav P Regmi, NIU Chief and Joint Secretary of MoCS Mr Toya N Gyawali, Under Secretaries of MoCS and other officials of MoCS, along with representatives of the Nepalese mission in Geneva, took part in the MC9 under the leadership of Hon. Minister S P Koirala. The Project provided technical assistance to the Nepalese delegates and played a key role in the preparations for the conference for the Nepalese team. NECTRADE also supported Bali visit by providing financial assistance and making logistical arrangements. ■

A view of the workshop on Promoting Nepalese Products in International Market

RADIO PROGRAMME ON Trade and Development

NECTRADE Project signed an agreement with Radio Nepal to broadcast a series of 10 episodes on trade mainstreaming, NTIS 2010, ginger, honey, medicinal herbs and essential oils, handmade paper and paper products, pashmina, education, health and tourism throughout Nepal by utilizing the extensive coverage and expertise of the service provider. The objective of this programme was to generate awareness of trade, NTIS 2010 and recent developments made in the field of trade sector development in Nepal.

Documentaries were produced by Media Initiatives Private Limited, whose services were availed of by the Project for providing episodes to the National Radio of Nepal. Radio Nepal had aired two episodes every month for five months immediately after evening news of 7:00 pm, without commercial break. The programme acted as a tool for trade promotion, which would further add gravity towards the efforts of the NECTRADE Project through media and public information campaign. ■

BALLOONING TRADE DEFICIT OF NEPAL REALIZED AND DISCUSSED

Actions recommended by the NSC Task Force

Realizing the weak export performance and ballooning trade deficit of Nepal, the EIF National Steering Committee constituted a task force under the chairpersonship of Mr Surya Prasad Silwal, Secretary, OPMCM, comprising nine members representing secretaries of the ministries concerned, business leaders and other officials concerned in order to suggest implementable way outs, mainly in the area of NTIS review and update, export trade development and sector-wide approach in trade sector development (Trade SWAp) of Nepal. Based on detailed analysis and discussion, the task force has prepared a fact-finding report, with recommendations, for enhancing the export capacity of the country.

The prime objective of the task force was to conduct an analytical study on the NTIS 2010 implementation and overall export trade situation, issues and constraints, and submit a report, with recommendations and action plan, within a month time. The specific scope of work of the task force includes:

a) To make suggestions on the need for review of NTIS implementation and its update.

b) To identify and prioritize the most important problems and bottlenecks in Nepal's export trade development.

c) To make suggestions on the proposed Trade SWAp Modality in Nepal to make it effective and implementable for export promotion of the country.

d) To further identify and suggest the actions required, responsible lead and pertinent agencies, timeline and resource management, in relation to the above points (a), (b) and (c).

e) To invite and consult trade development experts and interact with officials concerned in the meetings as needed.

The EIF Nepal Tier 1 (NECTRADE) Project was entrusted to facilitate the entire process and support the necessary costs required to carry out the above-mentioned activities of the task force. ■

General Findings of the Task Force Report

- Export trade of Nepal for the last 20 years could not present an encouraging picture. During this period, export increased by 4.5 folds recording to Rs. 77 billion from Rs. 17 billion, while import surged by 17.6 times to Rs.596 billion (FY 2012/13) from Rs 34 billion in FY 1992/93.
- Nepal Trade Integration Strategy 2010 is under implementation since 2010 as a main export strategy of the country. In the last three years, export of 12 NTIS products (merchandises) grew by around 34.5 % in current price. The share of these products in total export has increased from 32% in FY 2009/10 to 35% in FY 2012/13.
- Non-NTIS products that contribute the remaining 65 per cent in total export, out of which major 22 products contributing to around 55% of total export have not been incorporated in NTIS. It has been noticed that some of these items are highly potential and need to include in NTIS based on some predetermined indicators.
- As the NTIS has recommended 256 action matrix in two parts (cross cutting and product specific), it was found that there is better progress in case of crosscutting areas (Action Matrix part I of NTIS) in comparison to Action matrix Part II that includes development of 19 priority sectors (12 Goods and 7 Services).
- The progress made in three years is not very enthusiastic for the reason that out of a total 256 action recommendations, only 33 have been completed, 95 actions are under progress and remaining 134 recommended actions have not been initiated or not assessed.
- Various efforts and initiatives made by MoCS, Ministry of Finance, EIF Tier 1 (NECTRADE), line ministries concerned, development partners, private sector and also civil society, including media, have contributed mainly to these progresses. Furthermore, such efforts have raised awareness and increased readiness in export trade to some extent.

Support to

Honey Entrepreneurs Association

NECTRADE Project supported the Central Honey Entrepreneurs' Association of Nepal (CHEAN) to organize a seminar-cum-training programme on October 5, 2013 during the First National Honey Exhibition, held on October 3–6, 2013 at the City Centre, Exhibition Road, Kathmandu. It was aimed at promoting honey by disseminating information extensively to visitors. The other objectives of the exhibition were: to attract farmers to produce honey commercially; to provide marketing perspective to honey producers; to promote Nepalese honey by revealing its superior quality, competitiveness and organic features; to boost the quality and intensive use of Nepalese honey; and to help and create a favourable environment for government and NGOs which are working to promote commercial beekeeping and honey venture. ■

CURRENT STATUS, CONSTRAINTS AND FUTURE COURSE OF ACTION FOR TESTING LABORATORIES IN NEPAL

An Interaction Programme, Current Status, Constraints and Future Course of Action for Testing Laboratories (TBT and SPS Measures) in Nepal, Focusing on NTIS Implementation andExport Trade Development, was held on August 30, 2013. On the occasion, Joint Secretary of MoCS Mr Toyal Narayan Gyawali welcomed the participants and highlighted the programme objectives, focusing on strengthening the TBT and SPS measures for increasing exports.

The programme was organized to orient the existing laboratories towards the implementation of NTIS and promotion of export business. At the programme, the state, major problems and the tasks to be done in relation to testing laboratories currently operating in Nepal were discussed.

Mr Buddhi Prasad Upadhyaya, National Programme Manager, EIF Nepal, presented an overview of NTIS 2010 and role of testing laboratories-related agencies in effective implementation of NTIS and export trade development of the country. Underlining the importance of testing laboratories, he expressed that international trade is impossible without effective involvement of testing laboratories, mainly for standardization, certification, conformity assessment and accreditation. Calling laboratories 'gateway for international trade', he emphasized that enhancing the capacity and international accreditation leads towards broadening the workload as well as increasing revenue of laboratories. He pointed out that complying with the product quality, safety, health and environmental impacts in destination market are required.

He noted that growth of export has created additional opportunities for the laboratories operating in both governmental and private sectors. So, he suggested, laboratories should be run in a more effective way by enhancing coordination and collaboration to benefit from it.

Commerce Secretary Mr Janardan Nepal highlighted the need for enhancing the capacity of testing laboratories for development of export sector. Chiefs of testing laboratory agencies gave their remarks focusing on current status, major problems and required intervention.

The interaction programme was attended by Secretary and Joint Secretaries, MoCS, DGs and chiefs of testing laboratories, WTO Focal Points, OPMCM, MoI, MoF, NPC, MoA, Under secretaries and other officials of MoCS and media persons. ■

Public-Private Dialogue for boosting exports

NECTRADE Project organized a Public-Private Dialogue in the form of an interactive workshop in collaboration with the Export Promotion Committee (EPC)/ FNCCI on July 26, 2013 in Kathmandu. The major objective of the interactive programme was to generate feelers, measures and thereby facilitate concerted actions on the part of the private sectors and government to enhance export competitiveness, augment investment and boost exports of five major products/services: Carpet, Health Services, Wool Products, Handmade Paper as well as IT and BPO Services. The workshop helped to review the exports as well as trade policy and NTIS interventions from the perspective of augmenting exports in general and boost five high potential exports in particular. ■

Participants in the Public-Private Dialogue

Progress discussed at the Donor Group Meet

MoCS, with support from NECTRADE Project, organized a Donor Group meeting on October 28, 2013 in MoCS. The meeting discussed agenda such as discussion of the modality of trade support: sector-wide approach in trade sector development in Nepal (Trade SWAp), TC Pool, Trade Trust Fund and resource mobilization plan for the implementation of NTIS 2010. At the meet, updates were shared on the NTIS Action Matrix by development partners and MoCS. Commerce Secretary Mr Madhav Prasad Regmi thanked all the representatives for their interest in Nepal's trade sector development and particularly the German Embassy for the active Donor Facilitation role. Joint Secretary of MoCS Mr Gyawali briefed on the status of Tier 2 Projects and also shared achievements of Nepal in mobilizing AfT. He invited DPs to participate and provide their inputs in the NTIS update process. Ms Jacqueline Groth, Head of Development Cooperation, German Embassy in Kathmandu, remarked that DPs have committed to coordinating AfT and Trade-related TA in the framework of EIF, and encouraged all DPs to make use of the AfT Donor Forum as a mechanism to facilitate implementation of the NTIS. Discussing the resource mobilization plan for the implementation of NTIS, Mr Buddhi Upadhyaya, NPM of NECTRADE Project, called for further engagement in developing a resource mobilization plan for NTIS 2010 implementation, which has to be developed jointly by MoCS, DF, DPs and private sector. ■

Participants at the 11th Donor Group Meeting

Nepal leads Tier 2 Projects AMONG THE LDCS

Nepal has been effectively utilizing the facility of EIF Trust Fund for priority small-scale projects to build up trade-related and supply-side capacities. Nepal's first Tier 2 Project, on ginger, has been under implementation since June 2012. NECTRADE and MoCS have been coordinating and monitoring the implementation of this project, whereas FAO and Ministry of Agricultural Development are the implementing partners.

The second Tier 2 Project, Pashmina Enhancement and Trade Support (PETS) Project, is being launched on March 10, 2014 in Kathmandu. An agreement has been signed between the implementing agency, International Trade Centre, and the executing partner, MoCS. The project would contribute to socio-economic development through export growth and market diversification of *Pashmina* products. Nepal Pashmina Industries Association is the implementing partner of this project.

Likewise, the third EIF Nepal Tier 2 Project, Implementing NTIS 2010 in Medicinal and Aromatic Plants (MAPs), has been approved by the EIF Board, which is a result of continuous efforts and dialogue by the NECTRADE Project and MoCS. The implementing agency, GoN and GIZ Nepal, are expected to sign a letter of agreement for the implementation of the project shortly. The duration of this project, with an overall objective to strengthen the capacity of the MAPs actors in the coordination and implementation of NTIS, is for three years. MAPs is one of the major products identified by NTIS 2010.

In this way, Nepal has been successful in getting approval for and moving forward with three Tier 2 Projects. This marks a milestone in the context of Tier 2 Projects for the development of the country. ■

ABOUT EIF NEPAL AND NECTRADE

The Enhanced Integrated Framework (EIF) is a global commitment for trade-related capacity building of LDCs which the MoCS has been facilitating in Nepal. NTIS 2010 was launched in June 2010 as the main trade strategy of the country and to support the EIF implementation process. The NTIS identifies 19 products and services as having comparative advantage for exports.

National Implementation Arrangement (NIA), which comprises a National Steering Committee (NSC), a Focal Point (FP), a National Implementation Unit (NIU) and other related entities were constituted by the GoN as per the guidelines of the EIF Executive Secretariat, Geneva. The NIU is responsible for coordinating EIF activities and implementing it at national level.

As a Tier 1 Project of EIF Nepal, the NECTRADE Project is further designed to strengthen national arrangements of the EIF to enhance Nepal's ownership of trade-related technical assistance and maximize the benefits that the country can derive from participation in international trading system. At present, it is in the fifth year of its implementation. ■

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