



Nepal Trade Integration Strategy 2016 (NTIS 2016)

Addressing the needs of Women MSMEs

Toya Narayan Gyawali
Joint Secretary
Planning and International Trade Cooperation Division
Ministry of Commerce

Constitutional Provision

- The Constitution of Nepal 2015: Article 18 Right to Equality: (4) ,“ No discrimination shall be made on the ground of gender with regard to remuneration and social security for the same work”.
- The Constitution of Nepal 2072 has highlighted the importance of export promotion:

PART 4 Directive Principles, Policies and Responsibilities of the State

51. State policies: The State shall pursue the following policies:

(d) Policies regarding finance, industry and commerce:

- **(6)** Diversifying and expanding markets for productions and services through the development and expansion of industries and promotion of exports by identifying the areas of comparative advantages.
- The Trade Policy 2015 -10.6.12 “Programs shall be launched to link micro, cottage and small and medium industries and industries run by women and marginalized classes/communities to export sector.”

NTIS 2016

- Nepal Trade Integration Strategy 2016 was approved from Council of Ministers on May, 2016
- Objectives of NTIS 2016:
 - ✓ **Strengthen trade and export enabling environment;**
 - ✓ **Focus on product development and strengthen supply capacity of priority products;**
 - ✓ **Strengthen institutional capacity, trade negotiation and inter-agency coordination;**
 - ✓ **Build and enhance trade-related infrastructures.**
- Identifies **seven** areas as "cross-cutting sectors" and **nine** goods and **three** services as "priority export potentials"
- **Potential to contribute in Women empowerment has been duly considered while selecting priority export potential products**

Indicators & Weightages for Aggregation of Multiple Parameters in Selecting Potential Products

Indicators & Multiple Parameters	Weightages	
A. Export Performance		80%
i. Export Size	15%	
ii. Export Growth	20%	
iii. Export Potential Index	20%	
iv. Potential Value Addition	15%	
v. Potential Destination Diversification	10%	
B. Inclusive & sustainable development impact		20%
i. Geographical Regions	4%	
ii. Environmental impact	4%	
iii. Employment generation	4%	
iv. Gender impact	4%	
v. Skills and Earnings	4%	

NTIS 2016 Products with High/Medium Impacts on Women

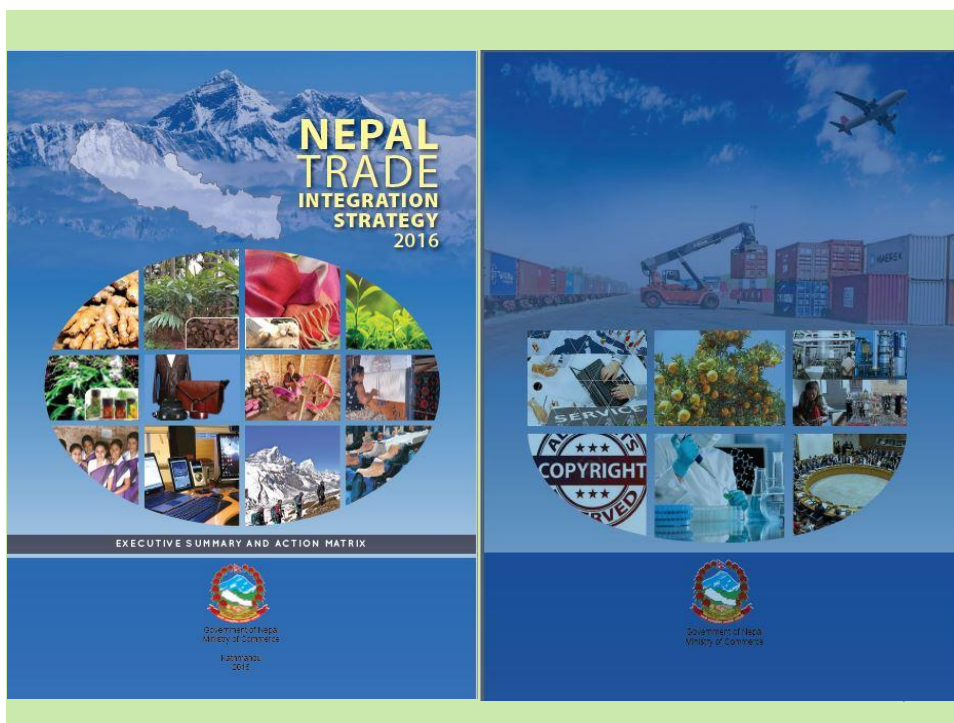
Product	Impact
Medicinal and Aromatic Plants	High
Tea	High
Carpets	High
Pashmina	High
Cardamom	Medium
Ginger	Medium

5

Composition of EIF National Steering Committee

Hon. Minister for Commerce, Government of Nepal	Chairperson
Chief Secretary, Government of Nepal	Vice-Chairperson
Secretary, Ministry of Finance	Member
Secretary, Ministry of Industry	Member
Secretary, Ministry of Law, Justice, Const. Assembly & Parl. Affairs	Member
Secretary, Ministry of Agricultural Development	Member
Secretary, Ministry of Foreign Affairs	Member
Secretary, Ministry of Commerce	Member
Secretary, Secretariat of the NPC	Member
Deputy Governor, Nepal Rastra Bank	Member
President, FNCCI	Member
President, Confederation of Nepalese Industries	Member
President, Nepal Chamber of Commerce	Member
Joint Secretary, PITCD, MoC and NIU Chief	Member Secretary

6



Major Highlights of NTIS 2016

- Seven cross-cutting areas:
 - Trade capacity development including trade negotiation
 - Trade and Investment policy environment
 - Trade and transport facilitation
 - Standard and technical regulation
 - Sanitary and Phyto-sanitary framework
 - Intellectual Property Rights
 - Trade in services
- Detailed analysis of priority export potentials including SWOT analysis
- Analysis & recommendations based on lessons learnt from NTIS 2010, research and stakeholders consultations
- Implementation Mechanism
- Monitoring & Evaluation
- Clear and comprehensive **Action Matrix** with 73 Actions for enhancing cross-cutting issues and 117 Actions for value-chain development of priority export potentials (short to medium term actions) to be completed by 2020

Overview of NTIS 2016 Action Matrix

Category	Outcome	Heading	Short-term	Medium-term	Not-differentiated
Cross-cutting	1	Trade capacity, including trade negotiation	6	7	
	2	Trade and investment environment	1	1	
	3	Trade and transport facilitation	16	5	
	4	Standards and technical regulations	10	5	
	5	Sanitary and Phyto-sanitary Standards	6	2	
	6	Intellectual Property Rights	6	2	
	7	Trade in services			6
Products	8	Large Cardamom	6	3	
	9	Ginger	4	3	
	10	Tea	6	7	
	11	MAPs	6	4	
	12	All Fabrics, Textile, Yarn & Ropes	3	1	
	13	Leather	7	8	
	14	Footwear	9	2	
	15	Chyangra Pashmina	4	2	
	16	Knotted Carpets	6	2	
	17	Skilled & Semi-skilled Professionals at Various Categories	3	2	
	18	IT Services & BPO	7	5	
	19	Tourism	12	5	
		Total	118	66	6
		Grand Total (Short & Medium Term Actions)			190

Implementation Mechanism

- **High ownership** due to wider consultations & involvement of agencies concerned; supportive for effective implementation
- **GoN's commitment on** resources allocation & policy reforms
- **EIF National Steering Committee** to ensure effective coordination through policy and strategic guidance and resource mobilization
- **Thematic Committees (TCs) & Product Specific Focal Points (FPs)**
- **Performance assessment** of TCs & FPs by EIF NSC
- TCs to submit **reports** to MoC every January and July
- MoC to **coordinate & facilitate** implementation of NTIS 2016

Monitoring and Evaluation

- Regular monitoring by MoC (Inputs & Outputs against indicators and targets)
- Sharing of findings with the EIF National Steering Committee every August
- Independent mid-term review and evaluation of NTIS 2016
- GoN to review and update NTIS in five years in 2020

11

NTIS 2016 Priority Export Potentials Outcome, Targets, Actions and Responsible Agencies

12

Large Cardamom



- **Outcome:** Volume and value of export of large cardamom increased
- **Baseline:** 5,750 MT of large cardamom were produced in 2012/13 Price (US\$/MT) of Nepalese export is 50% of that of Indian exports due to low value addition
- **Actions: Short-term-6, Medium-term-3**
- **Target by 2020:** 6,500 MT of large cardamom produced Price (US\$/MT) of Nepalese exports increased to 75% of that of Indian exports
- **Main Responsible Agency/ies:** Ministry of Agricultural Development

13

Ginger



- **Outcome:** Volume and value of exports of ginger increased
- **Baseline:** 235,000 MT of ginger were produced in 2013, 65% were exported; the export price of US\$ 217/ MT for Nepali ginger is 20% that of China and 60% that of India
- **Actions: Short-term-4, Medium-term-3**
- **Target by 2020:** At least 300,000 MT of ginger produced and 70% of it exported; Price (US\$/MT) of Nepalese export increased to 75% that of unit price of Chinese ginger exports due to increased value addition in Nepal
- **Main Responsible Agency/ies:** Ministry of Agricultural Development

14

Tea



- **Outcome:** Export of Tea significantly increased
- **Baseline:** Export of Orthodox tea was approximately US\$ 2.7 million in 2013; 3,000 MT of Orthodox tea was produced in 2013
- **Actions: Short-term-6, Medium-term-7**
- **Target by 2020:** Export of Orthodox tea reached about US\$ 6 million; At least 4,500 MT of Orthodox tea produced
- **Main Responsible Agency/ies:** Ministry of Agricultural Development

15

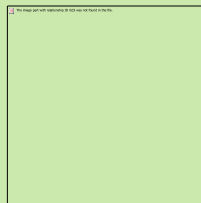
Medicinal and Aromatic Plants (MAPs)



- **Outcome:** Export of MAPs increased through the improvements in value chain development
- **Baseline:** Export value of MAPs was US\$ 14 million in 2013; there are 60 to 70 processing industries using mostly traditional technologies
- **Actions: Short-term-6, Medium-term-3**
- **Target by 2020:** Export value of MAPs reached US\$ 20 million; Processing industries using modern technologies established
- **Main Responsible Agency/ies:** Ministry of Forest and Soil Conservation, Ministry of Agricultural Development

16

All Fabrics, Textile, Yarn and Rope



- **Outcome:** Exports of synthetic yarn, synthetic woven fabrics and jute fabrics and bags increased steadily
- **Baseline:** Exports of synthetic yarn, synthetic woven fabrics and jute fabrics and bags were worth approximately US\$ 164 million in 2013
- **Actions: Short-term-3, Medium-term-1**
- **Target by 2020:** Exports of synthetic yarn, synthetic woven fabrics and jute fabrics and bags grown to approximately US\$ 200 million
- **Main Responsible Agency/ies:** Ministry of Industry, Ministry of Commerce

17

Leather



- **Outcome:** Production of raw hides and exports of processed hides increased rapidly
- **Baseline:** Nepal produces around 16–20 million sq.ft of raw hides and of which around 14 million sq.ft is exported; exported US\$13 million worth of bovine and goat leather in 2013
- **Actions: Short term-7, Medium-term-8**
- **Target by 2020:** Production of raw hides increased to at least 30 million sq.ft and value of exports increased by 20%; export of bovine and goat leather increased to US\$ 20 million
- **Main Responsible Agency/ies:** Ministry of Livestock Development, Ministry of Industry, Ministry of Commerce

18

Footwear



- **Outcome:** Production and export of footwear significantly increased
- **Baseline:** Nepal produces around 30 million pairs of footwear annually and exported around 7.8 million pairs in 2013; current export earnings is estimated at US\$ 21 million
- **Actions: Short-term-9, Medium-term-2**
- **Target by 2020:** At least 45 million pairs of footwear produced and around 12 million pairs exported annually
- **Main Responsible Agency/ies:** Ministry of Industry, Ministry of Commerce

19

Chyangra Pashmina



- **Outcome:** Exports of Chyangra Pashmina products expanded significantly
- **Baseline:** Exports of Chyangra Pashmina products were nearly US\$ 30 million in 2013
- **Actions: Short-term-4, Medium-term-2**
- **Target by 2020:** Exports of Chyangra Pashmina products reached to US\$ 50 million
- **Main Responsible Agency/ies:** Minister of Industry, Ministry of Agricultural Development, Ministry of Commerce

20

Knotted Carpets



- **Outcome:** Exports of Knotted Carpets regained a strong footing through market and product diversification
- **Baseline:** US\$ 71 million worth of Knotted Carpets exported in 2013
- **Actions: Short-term-6, Medium-term-2**
- **Target by 2020:** At least US\$ 100 million worth of Knotted Carpets exported
- **Main Responsible Agency/ies:** Ministry of Industry, Ministry of Commerce,²¹

Skilled and Semi-Skilled Professional Services at Various Categories



- **Outcome:** Proportion of skilled/semi-skilled Professionals in total out-migration increased and remittance inflow efficiently utilized
- **Baseline:** Based on Economic Survey, 2015, about 26% of migrant workers work as skilled and semi-skilled professionals in destination countries; approximately 22% of returning immigrants own their own business
- **Actions: Short-term-3, Medium-term-2**
- **Target by 2020:** At least 40% of returning immigrants engaged in their own business
- **Main Responsible Agency/ies:** Ministry of Foreign Affairs, Ministry of Youth and Sports, Ministry of Labour and Employment²²

IT Services and Business Process Outsourcing



- **Outcome:** New market for IT and BPO sector developed and its export increased significantly
- **Baseline:** Exports of IT and BPO services are estimated at US\$ 30-35 million in 2014
- **Action: Short-term-7, Medium-term-5**
- **Target by 2020:** Exports of IT and BPO increased to at least US\$ 100 million
- **Main Responsible Agency/ies:** Ministry of Information and Communications, Ministry of Science, Technology and Environment, Nepal Rastra Bank

23

Tourism



- **Outcome:** Number of foreign visitors, their average duration of stay and per capita expenditure increased significantly
- **Baseline:** 797,616 international tourists arrived in 2013 and spent US\$ 42.8 per day per capita staying for around 12 days
- **Actions: Short-term-12, Medium-term-5**
- **Target by 2020:** Foreign visitors reached 1,344,000; length of stay increased to 15 days with per capita expenditure of US\$ 2049; 2 million foreigners visiting Nepal in 2020 (as per goal of Vision 2020)
- **Main Responsible Agency/ies:** Ministry of Culture, Tourism and Civil Aviation, Ministry of Foreign Affairs, Ministry of Education

24

Other Export Potential Sectors and Continuation from NTIS 2010

- A. **Other Potentials Products (Four New Products):** Fruits and Vegetable Juices, Readymade Garments, Coffee, Semi-precious Stones
- B. **Continuation from NTIS 2010 (Eight Old Products):** All Fabricated Steels and Metals, Lentils, Instant Noodles, Honey, Paper and Paper Products, Woolen Products, Silver Jewelry, Hydro Electricity

25

Role and Responsibilities of Line Agencies in NTIS Implementation

- **Ministry of Law, Justice and Parliamentary Affairs:** around 100 legal reforms- recommended by the NTIS Review report
- **Ministry of Foreign Affairs:** trade diplomacy, trade negotiations
- **National Planning Commission:** allocating sufficient budget for NTIS 2016 implementation, mainstreaming trade in periodic plans and various sectoral policies and strategies
- **Ministry of Finance:** budget, Customs and trade facilitation
- **Ministry of Agricultural Development:** agricultural products development and SPS measures
- **Ministry of Forest and Soil Conservation:** NTFP, MAPs product development, policy and legislative reforms

26

Role and Responsibilities Contd..

- **Ministry of Industry:** craft and manufacturing products development, investment facilitation, TBT, and IPRs
- **Ministry of Commerce:** aid for trade in services, trade negotiation capacity building, trade infrastructure development and trade support institutions
- **Nepal Rastra Bank:** Soft loans for semi-skilled human resources development, Investment tax incentives, entrepreneurship loans, improving payment mechanism of export of services
- **Private Sectors** (Federations of Chamber of Commerce and Industries): product and value chain development, investments, trade related infrastructures, coordination and support

27

Conclusion

- Enhancing export competitiveness and productive capacity is crucial for economic growth and sustainable development of Nepal
- NTIS 2016 is a common platform for GoN, private sector, civil society, development partners and other stakeholders for trade sector development
- Ministry of Commerce looks forward to an active partnership of all the line ministries, private sector and other stakeholders for a successful implementation of this Strategy

28

Thank you for kind attention!