

# Trade Policy 2015

Naindra Prasad Upadhyay  
Secretary, Ministry of Commerce  
Government of Nepal

## Presentation Outline

- Background: Need for a new Trade Policy
- Procedure: Trade Policy formulation process
- Vision, Goal, Objectives and Strategies
- Salient features of the Trade Policy 2015
- Monitoring and Evaluation of the Trade Policy 2015
- List of Export Potential Goods and Services
- Special provisions for women entrepreneurs

## Trade Policy has been updated to:

- Harmonize with other sectoral policies
- Alignment between Trade Policy and NTIS
- Address the ballooning trade deficit
- Promote exports by enhancing the supply-side capacities
- Implement declarations of the WTO MC9 (like TFA, Service Waiver, Preferential Rules of Origin, DFQF market access)
- Benefit from the globalization, economic liberalization and global trading system
- Mainstream trade
- Increase focus on Aid for Trade

## Procedure adopted

- Board of Trade meeting made a decision to review and update Trade Policy 2009
- Steering Committee under the Chairpersonship of Commerce Secretary and Technical Committee under the Chairpersonship of Joint Secretary was formed to oversee and draft the Trade Policy 2015
- In-depth study of the Trade Policies of 11 countries (India, China, Sri Lanka, Bangladesh, Uganda, Cambodia, Germany, Japan, USA, Mexico and Brazil) was carried out
- Focus Group discussions and consultations with private sector and concerned stakeholders was organized at the central and local level
- Advice and suggestions in writing from trade experts were collected

## Procedure.....

- Published a public notice in print media to collect feedback
- Feedback collected and adjusted from a number of ministries, agencies and trade stakeholders
- Final draft of Trade Policy 2015 was prepared through various rounds of meetings under the Chairpersonship of the Hon. Member of NPC (responsible for Commerce)
- The final draft of Trade Policy 2015 was registered for approval from Council of Ministers, GoN on 12<sup>th</sup> July 2015
- Approved by the Economic and Infrastructure Committee, GoN

## Vision, Goal and Objectives of Trade Policy 2015

### Vision:

- To achieve economic prosperity by enhancing the contribution of trade sector to national economy through export promotion

### Goal:

- To achieve inclusive and sustainable economic growth through export promotion

### Objectives:

- To strengthen supply-side capacity, and minimize trade deficit by increasing exports of value-added competitive products and services in the world market
- To enhance access of goods, services and intellectual property to regional and world markets

## Strategies adopted

### **Strategy to strengthen supply-side capacity, and reduce trade deficit by increasing exports of value-added competitive products and services in the world market:**

- Government shall play the role of coordinator, facilitator and regulator to enhance active participation of the private sector
- Enhance competitive capacity of the products of comparative and competitive advantage for export promotion.
- Reduce trade deficit by strengthening supply-side capacity.
- Enhance the competitive capacity of exportable service sectors.
- Reduce transaction cost through trade facilitation and institutional strengthening.
- Mainstream trade in order to establish it as a major component of economy.

## Strategies....

### **Strategy to increase access of goods, services and intellectual property to regional and world markets**

- Expand market and enhance trade capacity by means of multilateral, regional and bilateral mechanisms and trade diplomacy.
- Link trade in goods and services to regional and global production network by strengthening and making them competitive as well as complementary to each other.
- Increase access of Nepalese products to world market by promoting and protecting trade related intellectual property rights.

## Salient features of the Trade Policy 2015

- Role of the Government: Facilitator, motivator and regulator
- Enhancing competitive capacity of the products with comparative and competitive advantage for export promotion
- Reducing trade deficit by strengthening supply-side capacity
- Enhancing the competitive capacity of exportable service sectors
- Reducing transaction costs by means of trade facilitation and institutional strengthening
- Mainstreaming trade in order to establish it as a major component of economy
- Expanding market and enhance trade capacity by means of multilateral, regional and bilateral mechanisms and trade diplomacy
- Linking trade in goods and services to regional and global production network by strengthening and making them competitive as well as supplementary to each other
- Enhancing access of Nepalese products to world market by protecting and promoting trade related intellectual property rights

## Salient features: Board of Trade

- Board of Trade: A Board of Trade, including the private sector shall be constituted, as follows, at the central level to provide assistance in the formulation of policies necessary for trade promotion, trade facilitation, policy monitoring and inter-agency coordination.
- The Minister/Minister of State for Commerce may invite any person or expert, apart from the ex-officio members mentioned above, as required to attend a meeting. The Government of Nepal may, alter the composition of members of the Board, as required. The Board shall meet at least once in every two months. Procedures related to the meetings shall be, as determined by the Board.
- The main function of the Board shall be to coordinate the implementation of the Trade Policy, to recommend the Government on policy reforms and advise the Government to resolve problems and difficulties with the implementation thereof.
- The Board shall also take decisions to resolve problems and difficulties arising in the field of export-import trade and perform other activities necessary for trade facilitation.
- The Board may constitute sub-committees, as required, in order to function more effectively.
- The term of office of a nominated member shall be two years.

## Salient features: Trade Promotion Institute

- The existing Trade and Export Promotion Centre (TEPC) shall be converted into an autonomous body entitled 'Trade Promotion Institute' with necessary organizational structure and resources
- A separate mechanism for trade in services shall be established under the Institute for the promotion of trade in services.
- The Trade Promotion Centre shall perform the following functions:
  - ✓ Carry out trade related study and research and product development and export promotion related activities,
  - ✓ Act as a principal mechanism for the collection, processing, analysis and information dissemination of internal and external information and trade related data for trade promotion,
  - ✓ Regularly maintain records on generalized system of preference and global system of trade preference and provide relevant information to trade professionals,
  - ✓ Act as a research institution to furnish analytical opinions/suggestions as to the trends, current situation and future course of international trade and the policy steps required to be taken by Nepal in that respect,
  - ✓ Provide code numbers to importers and exporters for the management of imports and exports
  - ✓ Develop and run a trade portal comprising of all legal and administrative provisions relating to management of imports and exports, tariff and non-tariff related provisions, and other information and statistics,
  - ✓ Organize trade fairs and exhibitions and coordinate participation in organized fairs and exhibitions, etc.

## Monitoring and Evaluation of the Trade Policy 2015

- The Ministry of Commerce shall carry out yearly and periodic evaluation of overall implementation status of the Trade Policy, 2015 (2072 BS).
- In addition, bodies including the Department of Commerce and Supply Management and Trade and Export Promotion Centre under the Ministry shall, subject to their respective jurisdictions, carry out regular monitoring and evaluation.
- The Ministry of Commerce shall conduct a comprehensive assessment of such monitoring and evaluation, based on which necessary revision of the Policy shall be regularly performed.

## List of Export Potential Goods and Services

### Goods

1. Gingers/dried gingers
2. Large cardamom
3. Wool and carpets
4. Drugs, medicinal herbs and essential oils
5. Coffee
6. Carpets
7. Silk products
8. Sugar
9. Tea
10. Foot-wears
11. Textiles
12. Vegetables, vegetable seeds
13. Instant noodles
14. Ready-made garments
15. Dairy products
16. Processed leather
17. Pashmina
18. Floriculture
19. Fruits
20. Iron and steel products
21. Honey
22. Pulses
23. Cement
24. Gold, silver ornaments and precious stones
25. Handicrafts
26. Handmade papers and paper products

## List of Export Potential Goods and Services

### Services

1. Engineering
2. Hydropower
3. Tourism
4. Education
5. Information Technology and Business Process Outsourcing(IT/BPO)
6. Health Services
7. Labour Services (Skilled/Semi-Skilled professionals)

## What's special about women entrepreneurs

- Women comprise more than half of the population
- Women seem to be more analytical and persuasive
- Empowerment of women lead to better family, better health of children, and better living standard
- Successful business women – a way for empowerment
- Most women are in SMEs
- Small and medium sized enterprises represent up to 95% of all business in developing economies. They account for up to 90% of employment in the industrial sector, 60% to 70% of manufacturing output and 75% to 80% of national export earnings
- Clearly it is essential to nurture the SMEs in order to drive the country
- No nation can be a proud nation if there is marginalization of women

## Special Provisions for women

- Women participation, gender equality, reservation (one-third seats) and inclusive development – provisioned in the Constitution of Nepal
- Approach Paper of the 14<sup>th</sup> Plan has stressed on social inclusion, inclusive development and gender equality in its vision, goal, objectives and strategies
- Sustainable Development Goals have also clearly focused on no poverty, gender equality, decent work and economic growth.
- Trade Policy 2015 has exclusively provisioned the following:
  - “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.” (Policy 10.6, Working Policy 10.6.12)



  

Thank you!

