

# Trade policy and Trade statistics of Nepal, "Opportunities and challenges for the Sustainable Development Goals"

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# Outline of Presentation

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- ❖ Current Status of SDG Targets
- ❖ Existing Policies and Institution Environment
- ❖ Issues and Challenges for the effective in Implementation of the SDGs
- ❖ Way forward

# Introduction



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- ❖ Nepal is a mountainous and predominantly agrarian landlocked country of 26.6 million people lying in the southern slopes of the Himalayas, bordering Tibet Autonomous Region of People's Republic of China in the North and India in the South, the East and the West.
- ❖ The hilly and the mountainous regions including the great Himalayan range that has eight of the 14 highest peaks in the world above 8,000 meters account for 83 percent of the total land area of 147,181 sq. km. and the *terai plain accounts for 17 percent of the area.*
- ❖ *Within its very small stretch, Nepal possesses immense ethnic, cultural, climatic and biological diversities.*

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- ❖ Central Bureau of Statistics was established in 1959 through the statistical Act 1958
- ❖ It was created as core and central statistical agency of the country for the collection, consolidation, publication and analysis of statistics
- ❖ The Act ensured that the collection and publication of any data by other agencies should have to be coordinated, standardized and authenticated by CBS

# Contd.

- ❖ Through this Act, CBS was established as a highly centralized statistical system in Nepal in terms of the production of the government statistics .
- ❖ Currently, CBS operates under the umbrella of the National Planning Commission Secretariat.
- ❖ The Bureau is headed by the Director General (Joint Secretary Level).

# Trade policy

- ❖ The First Trade Policy introduced in 1983 with the slogan of "Exports for Development".
- ❖ Following the wave of economic liberalization and Structural Adjustment Program, Nepal introduced its first Liberal Trade Policy in 1992.
- ❖ Trade Policy 1992 removed most of the trade barriers such as eliminating licensing for import and export, establishing industry etc.
- ❖ Given the changed context GON introduced Trade Policy, 2009
- ❖ Considering the dynamism in the trade sector and addressing alarming trade deficit, the Government introduced new Trade Policy, 2015

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## Major Highlights of Trade Policy, 2015

- ❖ Policy and Institutional Coherence and linkage
- ❖ Trade in Goods, Trade in Services and TRIPS(Trade Related Intellectual Property Rights)
- ❖ Trade Related Infrastructure Building
- ❖ Product Development and Value Chains



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- ❖ Capacity Development and Export Promotion
- ❖ Trade Facilitation
- ❖ Participation in the Global production chains and value chains
- ❖ Market Access/Promotion/Diversification
- ❖ Resource Mobilization AfT(Aid for Trade), TRTA(Trade Related Technical Assistance)

# Trade composition in 2014/15

Direction	Value Rs. Billion	% of Total
Export		
India	55.86	64.5
China	2.59	3
Others	28.19	32.5
Total	86.64	100

Imports		
India	500.04	63.7
China	101.10	12.9
Others	183.44	23.4
Total	784.58	100

Deficits : India---	444.19
China	98.51
Others	155.25
Total	697.95

# Contribution of Trade Sector on Total GVA

Year	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15 R	2015/16 P
Total GVA (Rs.in billions)	939	1119	1290	1437	1580	1822	1962	2089
GVA from trade sector(Rs.billi ons)	124	161	179	198	230	272	289	297
Share in %	13.22	14.40	13.90	13.79	14.54	14.90	14.71	14.24

R= Revised

P= Preliminary

# Situation of Nepal for the LDC Graduation

	Indicator/Index	Graduation Threshold	Nepal's Current Status
1	GNI Per Capita	\$ 1650	\$ 708
2	Human Asset Index(HAI)	66 ( > than this is better)	68.7
3	Economic Vulnerability Index(EVI)	32 (<than this better)	26.8

# Current Status of SDG Targets,

- ❖ The SDGs were first formally discussed at the United Nations Conference on Sustainable Development in Rio de Janeiro in June 2012 (Rio+20), and in the UNGA in September 2014.
- ❖ Ahead of the MDG deadline in 2015, the UN Open Working Group (OWG) for SDGs agreed a proposed set of 17 SDGs with 169 targets on a broad range of sustainable development issues for post- 2015 till 2030.
- ❖ Although the goals and targets of the SDGs have been agreed in the UN General assembly in the Sept.2015 their indicators and implementation strategy are yet to be worked out.
- ❖ Currently, under the set of 17 SDGs Nepal has prepared 128 targets which are most applicable in the Nepalese context .

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- ❖ **SDG 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development**
- ❖ The SDG 14 targets are not relevant for Nepal. But as mountain resources are so crucial for Nepal's fresh water resources, hydropower, livelihood, agriculture, adventure tourism, and environment protection,
- ❖ Seven targets are developed and indicators are yet to be developed.

# Contd.

- ❖ SDG 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development.
- ❖ SDG 17 has 19 targets but its further elaboration through measurable indicators has yet to be done. The realization of the global commitments related to this SDG is not very encouraging as a number of commitments on trade, aid, investment and financing for the development of the LDCs have not been significantly met.
- ❖ There is a need to develop quantifiable indicators for assessing the SDG 17 target in order to boost global cooperation for the development.

# SDG 17- Proposed areas to find the indicators

- ❖ Finance
- ❖ Technology
- ❖ Capacity building
- ❖ Policy and Institutional coherence
- ❖ Multi-Stakeholder Partnerships
- ❖ Data, Monitoring and accountability:-

Target 17.18 By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing states, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts.



# Contd.

- ❖ Target 17.19 -By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries.
- ❖ Under the proposed remaining goals, Nepal has set specific targets and indicators.

# Existing Policies and Institutional Environment

- ❖ Nepal is party to several United Nations conventions on sustainable development including those on energy, environment, climate change, gender based violence, anti-corruption, good governance and human rights.
- ❖ The country has set its domestic policies to achieve sustainable development through inclusive social and economic development.
- ❖ The new federal constitution is a significant advance for protecting the welfare of citizens and delivering inclusive development.

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- ❖ Nepal has opted for a mixed economy with the government encompassing the private and the cooperative sectors to promote economic growth and deliver services.
- ❖ The country's liberal trade, industry, and financial policies are expected to promote economic growth so as to meet the income threshold for graduating from LDC within the next 15 years.
- ❖ The robust tax system is mostly driven by value added tax, limited domestic and foreign borrowings leading to low indebtedness, and a highly liquid financial system that offers large investment opportunities to the government and the private sector.

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- ❖ The government's Agriculture Development Strategy (ADS) (GoN, 2014) is designed to guide the agricultural sector over the next 20 years (from 2014) .
- ❖ The Nepal Health Sector Strategy (NHSS) (2015-2020) (MoHP, 2015b) guides the decisions across the sector including public and private services and partnerships with external donors.
- A multi-sector nutrition plan for reducing maternal and child under nutrition is under implementation

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- ❖ The School Sector Reform Plan(SSRP) (2009-2015) (MoE, 2009) is a long-term strategic plan for achieving basic and secondary education.
- ❖ In gender equality, Nepal recognizes violence against women and girls as a crime and has amended acts and policies to protect women from violence and has established mechanisms to facilitate access to justice for victims.
- ❖ National Action Plan on Implementation of the United Nations Security Council Resolutions 1325 and 1820 (2011/12–2015/16).

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- ❖ The government implemented the water, sanitation and hygiene (WASH) programme in urban areas (MoPHW, 2009) and introduced master plan 2011.
- ❖ National Adaptation Programme of Action (NAPA) for adapting to extreme climate events and climate variability through an extensive country-driven consultative process (MoEn, 2010).
- Local adaptation plans for actions (LAPA) 2011 have been formulated with the twin objectives of implementing adaptation actions, and integrating climate change.

# Issues and challenges for the effective implementation of the SDGs

- ❖ The SDGs are comprehensive, ambitious and challenging goals and require huge resources as well as enhanced capacity to achieve them in the given 15 years' time.
- ❖ The goals of universal access to basic economic and social services, reduced inequality within and among nations, and structural changes in production and consumption patterns are ideal.

# Conted.

- ❖ Mainstreaming the SDGs into Periodic Plans and Annual Budgets
- ❖ Localization of SDGs at Sub-national Levels
- ❖ Up-scaling Implementation
- ❖ Mobilizing Financial Resources
- ✓ Domestic resource mobilization
- ✓ External resources: Foreign aid commitments, aid coordination and effectiveness



# Contd.

- ❖ Capacity Development at the National and Sub-national Levels
- ❖ Post-Disaster Recovery and Reconstruction Challenges
- ❖ Strengthening Governance and Service Delivery
- ❖ The politicization of the bureaucracy, militant trade unionism, the lack of public accountability and cases of corruption have raised questions on the performance of the bureaucracy to deliver the expected outputs of the SDGs. The oversight agencies like the Parliament's committees, anticorruption bodies, the auditor general, and the NPC require strengthening to promote good governance and more effective service delivery.

# Way forward

- ❖ Communication on importance of trade and investment in services, strengthen ICTs
- ❖ Priority to services at negotiations –at different levels
- ❖ Inter agency coordination and collaboration
- ❖ Identify competitive service sectors
- ❖ Focus on value chains and product development
- ❖ Encourage SMEs to participate global production and supply chains

# Way forward

- ❖ Focus on infrastructure development Reinforce Trade Facilitation Initiatives
- ❖ Promotion through means like trade fairs
- ❖ Negotiate for relaxing restrictions under Mode -4
- ❖ Rationalization of public spending
- ❖ Trade mainstreaming on sectoral policies
- ❖ Formulate strategy on reaping the benefits from LDC services waiver notifications
- ❖ Attract FDI in Service Sector by Creating Conducive Investment Environment
- ❖ Surveys and research have to be done and should tailored to the SDG monitoring needs.
- ❖ Build capacity of different agencies like CBS,MOCS,NPC to formulate policy and generate data to measure the SDGs targets.



**Thank  
You**



The image features the words "Thank You" in a large, bold, pink serif font. The text is centered and surrounded by eight colorful butterflies in shades of blue, green, purple, and pink. The butterflies are positioned around the text, with some appearing to fly over the letters. The entire graphic is set against a white background, which is framed by a decorative border of blue and white wavy lines at the top and bottom.