

Bali pact may not help Nepal's agro biz: Experts

KATHMANDU, DEC 10 -

Experts have said that the Bali Declaration of the ninth ministerial conference of the World Trade Organisation ([WTO](#)) may not help boost the country's agro business as domestic products lack competitiveness. They said that Nepali products would have a hard time expanding their market due to their higher prices.

Posh Raj Pandey, executive chairman of South Asia Watch on Trade, Economics and Environment, said the country should focus more on improving the competitiveness of domestic products as southern neighbour India has been permitted to continue its 4 percent subsidy on farm products. "There is a need to focus more on a few goods that have a competitive advantage instead of dealing with many goods with a comparative advantage," he added.

Nepal became the 147th member of the [WTO](#) in 2004. The world body has 160 member countries. Nepal has not been able to gain much benefit in the last one decade due to lack of competitiveness despite the privileges provided to the least developed countries (LDCs).

Pradeep Jung Pandey, vice-president of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), said the country failed to cash in on the facilities provided to the LDCs. "Problems like use of poor technology and lack of improved seeds have hindered competitiveness instead of enhancing it," he said.

The government's Nepal Trade Integration Strategy has identified 19 commodities as having a comparative advantage in a bid to promote their export. The list includes seven agricultural products, among them large cardamom, ginger and honey.

Pandey stressed the need to focus on enhancing selected products instead of trying to promote all of them at once.

"We must concentrate on enhancing only a few items having 100 percent value added products to receive the optimum benefits from the facilities provided by the [WTO](#)."

Nepal chaired the group of LDCs at the [WTO](#) conference held in Bali, Indonesia from Dec 3-6. It mainly raised issues related to duty-free quota-free (DFQF) market access, preferential rules of origin and implementation of services waiver on behalf of the LDCs.

All the [WTO](#) member nations adopted the Bali package consisting of 10 documents on trade facilitation, agriculture, cotton and development issues of the LDCs.

The Bali Declaration also includes five draft agreements on Trade-Related Aspects of Intellectual Property Rights (TRIPS) non-violation and situation complaints, work

programme on electronic commerce, work programme on small economies, aid for trade and trade and transfer of technology.

The conference has agreed on trade simplification and DFQF market access to the least developed countries. However, the provision of controversial food security and minimum preferential pricing being adopted by India have remained intact.

Meanwhile, economist Bishwambhar Pyakurel has stressed developing a mechanism to benefit from the transit facility approved by the Bali conference. "As the scenario of domestic agriculture can barely be made compatible with the southern neighbour's agricultural products, there is a minimum chance that Nepal can cater benefits out of the trade simplification being approved in the Bali conference," said Pyakurel. According to him, dearer domestic products will be unable to compete with cheaper Indian products.

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