

Nepal, other LDCs to seek duty-free market access

POST REPORT

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Being the coordinator of least developed countries (LDCs), Nepal will raise the core issues of the grouping, including those related to duty- and quota-free market access, flexible rules of origin criteria, and elimination of subsidy on cotton in the developed world, among others, at the upcoming conference of the World Trade Organization (WTO) scheduled for December 3-6 in Bali, Indonesia.

While it will raise the issues of LDCs collectively, its biggest focus will be on duty and quota free access to 97 percent of LDCs' products pledged at Hong Kong meet. "Nepal, as a group coordinator, is insisting implementation of 97 percent duty and quota free market access for all developed and developing countries," said Toya Narayan Gyawali, joint secretary at the Ministry of Commerce and Supply (MoCS) at an interaction here on Thursday.

At such a facility is currently being availed by Haiti and Lesotho, the grouping's agenda would be a similar facility to other LDCs without affecting the interest of these two countries, Gyawali said. "The facility could help the LDCs enhance exports," he said.

Most of the developed countries, and a few developing ones, have offered such a facility to LDCs. But different formulae on rule of origin adopted by the developed countries are hindering LDCs' exports.

Given this context, draft preferential rules of origin for LDCs have also been presented and are expected to be endorsed by the conference. The draft includes guidelines for determining country-specific rules of origin. It has also simplified documentation requirement. Stakeholders said besides duty and quota free market access, LDCs like Nepal should not be imposed non-tariff barriers such as stringent rules of origin provisions.

Puspa Sharma, director at South Asia Watch on Trade Economics and Environment (SAWTEE), said the rules of origin should be defined in such a way that it should consider the supply-side constraints and productive capacities of exporting LDCs. "The procedures and documentation should be made easy to comply with the actual scenario of exporting LDCs," he said. Shankar Prasad Pandey, executive member at the Federation of Nepalese Chamber of Commerce and Industry, said the Nepali team should also raise the issues of landlocked countries. "As landlocked countries are bearing higher costs of trading, the issue must be addressed."

Shankar Das Bairagi, Ambassador and Permanent Representative of Nepal to the United Nations, stressed on the need for promoting multilateral trade to boost LDC exports. "For this, there is need for implementing simplified and transparent rules of origin along with promoting market access," he said.

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