

World Bank to help Nepal boost trade

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Nepal's trade with India and Bangladesh will get a boost soon after the World Bank facilitated multi-functional lab comes into operation.

"The World Bank is facilitating the establishment of a joint multi-functional lab between Nepal, India and Bangladesh to increase intra-regional trade," said senior operations officer at the World Bank South Asia region Diep Nguyen-Van Houtte here today.

The bank is also helping Nepal in putting together

the missing trade infrastructure, upgrading the roads as land transportation is key to intra-regional trade, and coordinating among trade related agencies to create a single window to remove bureaucratic hassles apart from supporting institutional and human resources capacity building, she said, adding that market integration will help generate more employment in the region that has to create 1.2 million new jobs per month over the next two decades as the number of new job seekers is increasing rapidly in the region.

Trade can be a powerful solution for landlocked countries like Nepal, she added.

However, the Least Developed Countries (LDCs) of South Asia need to be supported to boost their infrastructure and remove supply side constraints for regional integration, said executive director of South Asia Watch on Trade, Economics and Environment Dr Ratnakar Adhikari.

"The participation of LDCs in the South Asian Free Trade Agreement has been disappointing measured by their share in overall regional trade, in particu-

lar exports," he added. LDCs in South Asia, along with Sri Lanka, are seeing a huge increase in their imports from the region, but the share of their exports is shrinking. Nepal's intra-regional merchandise exports' share stood at 3.23 per cent in 2010 from 10.7 per cent in 2000, according to him.

The LDCs that have been marginalised from the global trade regime will again be marginalised in the region, said Adhikari, suggesting at setting up of a 'LDC Integration Fund' to help them increase their capacity to strengthen their infrastruc-

ture needs for trade.

One of the most impoverished regions in the world that houses some 1.5 billion people, South Asia is the least integrated region in the world due to poor logistics and trade barriers.

"Due to lack of connectivity, tariff structure and non-harmonisation of standards and natural resources, the regional trade pact that was supposed to boost intra regional trade has failed to deliver," said former commerce secretary Purushottam Ojha. However, trade facilitation is key to integrate the region, he added.