

Trade policy out of sync with times, says Thapa

KATHMANDU, JUL 07 –

Minister for Commerce and Supplies Sunil Bahadur Thapa said on Monday that the existing trade policy had failed to address various issues like trademark registration, branding of the country's exportable goods in the international market and exploring potential export markets for Nepali products.

Speaking at an interaction organized to gather inputs from stakeholders for the proposed new trade policy, Minister Thapa added that lack of policy coordination among sectors and government agencies had furthered hindered the country's production capacity.

The government has planned to amend Trade Policy 2009 with the aim of formulating a long-term strategy for increasing exports. "If the country's trade is to be improved, the new trade policy should comply with other policies," he said.

Meanwhile, experts said that the planned policy, which is being prepared by the Commerce and Supplies Ministry, should focus on developing an effective monitoring mechanism, improving productive capacity, increasing export incentives, and identifying and branding competitive products in the global market.

The country's trade deficit has been swelling at an alarming rate. According to the Trade and Export Promotion Centre (TEPC), the deficit ballooned to Rs 523.86 billion in the last fiscal year, up from Rs 424.07 billion in 2011-12. In the first 10 months of the current fiscal year, the trade deficit has already reached Rs 509.20 billion.

Mina Aryal, under secretary at the ministry, said that there had been growing challenges and uncertainties in the trading business due to globalization, liberalization and a revolution in information and communication. "Nepal needs to adopt a policy as per the needs of the changing global scenario."

The existing trade policy also does not address ways to improve the business environment, supply capacity, technical and financial support to exporters and market access for local products. Posh Raj Pandey, executive chairman of South Asia Watch on Trade, Economics and Environment, said that Nepal should redefine its position in the global economic system through the new trade policy and be firm on strategic positioning.

"Issues related to developing production capacity, which is the main component for improving the country's trade, should be addressed by amending the policies of other government agencies too."