

# “WTO OFFERS LOTS OF BENEFITS FOR NEPAL”

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We were in the frontline while advocating for Nepal's membership in the WTO. At that time, we had assumed that Nepal would be recognized as a member of WTO in the world market for trade.

There are lots of benefits for a Least Developed Country (LDC) like Nepal listed in the WTO for transit right. Based on the WTO conditions, no country listed in the WTO can disobey the transit route assured. India has always bargained with Nepal while talking about the transit. In WTO, as per the article 5 of the GATT, transit route should be provided in the most convenient route. Suppose if India does not do so, Nepal has a legal right to appeal to the dispute settlement body in the WTO for justice. This provision shows that how important the WTO is for Nepal.

We have often been telling that this membership is not a magical stick for boosting Nepal's trade in the world market. We should have products to utilize the assured access. Mainly, our supply-side is weak. If Germany

needs a product for which there is duty free access, we do not have the product sought by Germany. Import has become an easy thing to do for Nepali businessmen who is now not that much interested in manufacturing activities due to a myriad of problems such as labour dispute and electricity shortage, thus leading to a low level production. First we have to substitute the import and export the surplus.

If we fail to improve the manufacturing sector, a day will come when the country would be relying totally on agriculture and service sector. Investors are more interested in short term investments—real estate, gold and trading. There is a glaring need to create a better investment climate for improving the manufacturing sector by assuring power, infrastructure and a smooth relation between the management and workers. There are a number of multinational companies here but they are facing labour related problems. I do not think that such companies are

not paying the minimum salary fixed by the government.

As I mentioned earlier, there is also a big need of infrastructure. The government should establish the long proposed Special Economic Zones (SEZs) in bordering areas of the country. But I doubt that certain political parties would not pass the law regarding the SEZs, where labour law is not implemented for effective work. Normally, as per the prevalent practice in the world, such zones have good infrastructures, 24-hour power supply, banks and insurance companies. The government has already identified certain goods and services having the possibility of export but it is also true that such products and services cannot be exported in an easy way without establishing SEZs.

