



## OPINION IN LEAD

**Making trade policy coherent in Nepal**

Promotion of industrialization and exports is a key component of Nepal's trade and industrial policy as well as other sectoral policies. However, progress in both industrialization and exports remain lacklustre. A poor state of coordination among different government agencies has been identified, including by government's policy documents such as Nepal Trade Integration Strategy, as a major impediment to the proper implementation of government's policy. A SAWTEE study "Trade Policy Coherence and Coordination in Nepal: An Exploratory Assessment" highlights some of the coordination issues.

For instance, lack of coordination between industrial and export promotion agencies (different government agencies under the Ministry of Industry, Commerce and Supplies) and revenue-related agencies (different government agencies under the Ministry of Finance) have resulted in lack of implementation of some of the industrial and export promotion tools such as facilities and concessions accorded to industries. Furthermore, it has fostered an environment of uncertainty among industries regarding the incentives provided by the law.

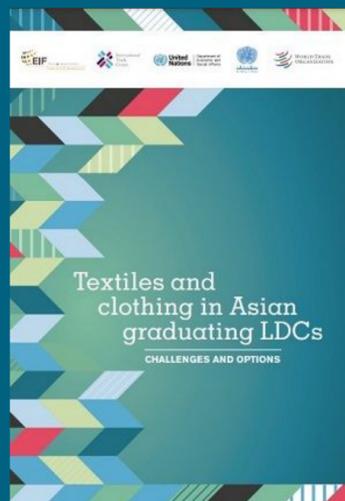
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## REPORT

**Textiles and clothing in Asian graduating LDCs: Challenges and options**

Textile and clothing firms in Bangladesh, Cambodia, Lao PDR, Myanmar and Nepal risk losing trade preferences in the near future, as their countries move from least developed to developing country status. This report outlines country strategies to address the transition for this important sector. ITC's contribution included a survey of international fashion brands, retailers, sourcing agents and local manufacturers.

This UN publication combines research on trade (World Trade Organization), global value chains (UN Conference on Trade and Development), firm-level perspectives (International Trade Centre), and country studies (UN Department of Economic and Social Affairs).

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## NEWS

**Nepal signs deal with India to procure chemical fertiliser**

Nepal signed a deal with India to procure chemical fertilisers for five years, raising hopes that the shortages during planting season may finally end for Nepali farmers.

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**Nepal, India agree to build new projects in energy sector**

Nepal and India have agreed to build new projects by injecting joint investment in the hydropower sector.

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**80% of Indian exports to UAE to be duty free**

India is likely to export at least 80% of its products to the UAE duty-free once the bilateral free trade pact comes into effect.

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**India cuts tax on crude palm oil imports to help consumers**

India has cut its tax on crude palm oil (CPO) imports to 5 percent from 7.5 percent to rein in local prices of the commodity and help domestic refiners and consumers.

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**Afghanistan launches National Trade Policy**

The Government of Afghanistan has launched a new initiative to spur growth and create jobs by boosting the export capacities of the country's private sector, to trade with regional and global markets.

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**NRB targets more goods to curtail imports**

Nepal Rastra Bank (NRB), has asked importers to deposit hard cash in advance to import additional goods that fall in the list of 27 harmonic codes in addition to the list of goods targeted in December 2021.

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**Bangladesh negotiating FTA with Canada**

Governments of Bangladesh and Canada are working on signing a free trade agreement and a foreign investment promotion and protection agreement to increase bilateral trade.

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**Over 1,000 Nepal-bound consignments stuck at Vizag Port**

Over 1,000 Nepal-bound cargo containers have been stuck at the Visakhapatnam Port, India, due to dilly-dallying by shipping companies and Indian railway companies.

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## Events

**SAWTEE and FNCCI interaction on Nepal's LDC graduation**

SAWTEE and the Export Promotion Committee (EPC) at the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) held a virtual dialogue on 23 February 2022 to discuss the implications of Nepal's graduation from the least developed country (LDC) category. The representatives from the committee expressed concern about the potential impacts as well as lack of knowledge about several aspects of the graduation and urged the government to provide proper policy support to the export sector and support in capacity-building of the private sector to deal with the post-graduation international trade regime for Nepal. [Click here for more information.](#)

**SAWTEE-NCC dialogue on Nepal's LDC graduation**

SAWTEE and Nepal Chamber of Commerce (NCC) on 6 February 2022 held a virtual dialogue on the implications of Nepal's LDC graduation with the objective of informing the government of the concerns of the private sector to ensure a smooth transition out of the LDC category for Nepal. The participants echoed the view that the LDC graduation could result in a significant impact on Nepal's exports, particularly the exports by SMEs, and that the government has to put sincere efforts to ensure that Nepal's LDC graduation will be smooth. [Click here for more information.](#)

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