



OPINION IN LEAD

Nepal's quest for smooth LDC graduation

As Nepal is slated to be graduated from the Least Developed Country (LDC) category, it is worth noting that Nepal is the first country ever to graduate without fulfilling the per capita income criterion. As per the UN Committee for Development Policy (CDP), graduation requires to fulfil two of these three criteria --per capita income, Human Asset Index (HAI) and Economic Vulnerability Index (EVI). Nepal's annual preliminary estimate of per capita income in 2021 was only [US\\$1196](#) while the graduation requirement is US\$ 1230. Since, per capita income is widely regarded as the most important determinant of the three, Nepal's failure to meet this requirement has cast doubts if the graduation will be sustainable and irreversible.

Ambitious targets

The current level of per capita income notwithstanding, the National Planning Commission (NPC) [envisioned plan](#) for Nepal is to achieve a per capita income of US\$ 1595 by 2024. While setting an ambitious target is a welcome move, it is also necessary to evaluate if such target can be achieved in the coming years given the current economic situation. To put this ambitious target into perspective, one can look into the per capita gross national income (GNI) growth trends over the last decade. In the decade between 2010 and 2020, Nepal recorded the highest per capita GNI growth at 8.07 percent on FY2018-19 and the lowest was at -0.73 percent on FY2015-16. Much of this high growth credit goes to the reconstruction activities undertaken in the post-Gorkha Earthquake period.

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REPORT

Regional economic engagement within South Asia may gain increasing importance owing to several factors that are currently in play, including strategies to diversify global value chains and locate such value chains nearer home. These developments offer South Asia a chance to enhance its low levels of regional economic engagement and capitalize on significant unrealized development opportunities. This report "Regional Investment Pioneers in South Asia" shows that examining intraregional investment and knowledge connectivity enhances our understanding of the low levels of intraregional trade and limited regional value chains in South Asia. Creating a new and unique data set for South Asian investment, it provides a detailed and nuanced understanding of the drivers of outward investment, both regional and global, for South Asian firms.

There is particular scope to build on the digitalization initiatives in trade and investment facilitation taken during the pandemic. "Regional Investment Pioneers in South Asia" follows on, and is complementary to, the earlier World Bank report, "A Glass Half Full: the Promise of Regional Trade in South Asia".

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SOUTH ASIA DEVELOPMENT FORUM

Regional Investment Pioneers in South Asia

The Payoff of Knowing Your Neighbors

Sanjay Kathuria, Ravindra A. Yatawara, and Xiao'ou Zhu



WORLD BANK GROUP



BIMSTEC platform for paperless trade proposed

Indian Chamber of Commerce proposed to create a common platform for BIMSTEC countries to participate and carry forward paperless trade.

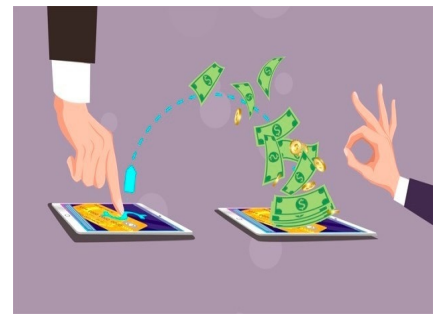
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China's non-cooperation in trade

Traders and locals have demanded that the two transit points with China be made operational as the operation has not been smooth for a long time.

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Bangladesh widens scope of cash incentive for remittance

The Bangladesh Bank has included five other earnings sources of overseas employees as eligible for 2.5 percent cash incentive they are receiving for channeling their earnings legally.

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Nepal's customs offices go 'cashless' and 'paperless'

Nepal has implemented a one-window system at all the customs offices across the country, aiming to reduce the hassles that the traders have been facing at the customs points.

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Bangladeshi companies allowed equity investment abroad

The government has allowed export-oriented Bangladeshi companies to invest abroad and issued a set of rules in this regard through a gazette notification.

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Nepal, India firms sign first private power trade deal

Nepal Power Exchange Limited and India's Manikaran Power Limited signed a memorandum of understanding on energy trading.

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Sri Lanka asks China to restructure its debt

Sri Lankan president has asked China to restructure its debt repayments as part of efforts to help the South Asian country navigate its worsening financial situation.

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Tourist arrivals in Nepal down to lowest level since 1977

Tourist arrivals continued their downward spiral in 2021, reaching the lowest level since 1977, as the coronavirus kept the industry paralysed.

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COVID leaves Sri Lanka on brink of bankruptcy

Sri Lanka is facing a deepening financial and humanitarian crisis with fears it could go bankrupt in 2022 as inflation rises to record levels, food prices rocket and its coffers run dry.

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SAWTEE and The Asia Foundation published a research report "Trade Policy Coherence and Coordination in Nepal: An Exploratory Assessment" that explores the coherence of policies, strategies and laws that have a bearing on Nepal's international trade, and the mechanism and extent of coordination between government agencies and between the government and the private sector in trade-related decision making, including policy formulation and implementation. It outlines possible measures for achieving policy coherence and improved inter-agency coordination.

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