

**Statement by Hon. Mr. Romi Gauchan Thakali
Minister for Commerce, Nepal**

**The High-Level meeting for the Euro-Asia Region on improving
cooperation on Transit, Trade Facilitation and the 2030 Agenda for
Sustainable Development theme on “Enhancing Cooperation on
International Trade and Trade Facilitation”**

Hanoi, Vietnam, 8 March 2017

**Mr. Chairman,
Excellencies,
Distinguished Delegates,
Ladies and Gentlemen!**

It's my pleasure to speak on this important theme of “enhancing cooperation on international trade and trade facilitation” and share some of Nepal’s recent initiatives.

We have had comprehensive and insightful contributions from speakers yesterday. I am confident that this session today will immensely benefit all of us to re-energize our efforts for further strengthening collaboration and cooperation in international trade and trade facilitation.

Mr. Chairman,

Nepal’s new inclusive and federal democratic constitution promulgated in September 2015, envisions to develop an independent, self-reliant and prosperous economy through joint efforts and engagement of public-private and cooperative sector as state's overarching economic policy.

The constitution also clearly specifies ‘to diversify and expand markets for goods and services, while promoting exports through development and expansion of industries upon identifying areas of comparative advantage’.

Nepal has undertaken series of economic reforms over the last two decades making Nepal as one of the most liberal regimes in South Asia in these matters. We have been emphasizing on simplifying procedures, enhancing transparency and efficiency and building infrastructures to achieve sustainable and inclusive economic growth.

The Government of Nepal has successfully brought about the third-generation Diagnostic Trade Integration Strategy (DTIS) in the form of Nepal Trade Integration Strategy 2016-2020. Under policy initiatives, Trade Policy, 2015, New Industrial Enterprises Act, 2016, Special Economic Zone Act, 2016 are some examples of Nepal's commitment to create conducive investment

environment and strengthen partnership with the domestic and foreign business community.

These policies are expected to be effective instruments in realizing the vision of achieving economic prosperity of the country by increasing trade sector's contribution to the national economy through export promotion, strengthening of supply-side capacities, and reducing trade deficits. We need to increase exports of value added competitive goods and services to international markets.

Distinguished participants, ladies and gentlemen,

Nepal has recently ratified the WTO Trade Facilitation Agreement contributing to the early enforcement of the Agreement globally. A National Trade and Transport Facilitation Committee consisting both private and public sector representatives have been established with the mandate of facilitating trade.

Single window systems, integrated check posts, border point infrastructure development, among others, have received top priority in programs to facilitate international trade.

Nepal has rationalized tariff structure and implemented ASYCUDA world in major customs points. We are introducing export/import code and have carried out periodic review of legislation and reform. Priority has been given on enhancing capacity of customs officials and streamlining customs administration in line with the Customs Reform and Modernization Master Plan.

As an LLDC, enhanced transport infrastructure is critical for Nepal. Unfettered transit transport to the nearest sea is the lifeline of the economy. While Nepal is grateful to its immediate transit neighbors, India and China and Bangladesh, for their understanding, goodwill and support.

We are effortful to increase the connectivity for improving trade and investment relations with our neighboring countries along with the South

Asian region through bilateral and regional mechanism like SAARC, BBIN and BIMSTEC.

Similarly, an agreement on transit transport and transport between Nepal and China has been signed in 2015 whereas both Trade and Transit Agreements with India have been renewed recently.

Nepal could be the transit point between the two largest and fastest growing market of the world, India and China. It may produce another big opportunity for Nepal to be linked in regional value chain.

Distinguished participants,

In this important meeting, I would like to propose few points which need to be addressed by members to address LLDCs' constraints and help them achieve the internationally agreed targets in a time bound manner; this will help create a level playing field to the LLDCs in the international trade and enable them to materialize the objectives of VPoA and SDGs in true sense:

- SMEs in the LLDCs should be integrated with the international supply chain system so as to share the benefits of world business (trade and investment) and thereby achieve the objectives of SDGs as well as VPoA.
- The stringent trade regulatory measures and non-tariff measures (NTMs) should be rationalized to reduce the risk of marginalization of LLDCs.
- A need-based technical assistance is required to build quality infrastructures so as to unlock the infrastructure bottlenecks, equip human resources, and enhance productive capacity.
- Increase the connectivity of the services in regional level to help bring the countries together to improve the social and economic development indicators.
- Support in the harmonization of rules, process and system between transit developing countries to facilitate cross border trade and transit.

To conclude, Mr. Chairman, I believe that it is necessary to increase the global and multi-stakeholder partnership for enhancing cooperation for international trade and trade facilitation with the effective and efficient

implementation of the VPoA, TFA, SDGs as they are complementary to each other. Effective mobilization of financial resources and sharing of knowledge, expertise and technology would be essential in the realization of LLDCs' meaningful participation in international trade.

I am confident that this important high-level meeting would contribute to consolidation of our efforts towards ensuring that trade works as an engine for development for all.

Thank you all for your kind attention.