

**STATEMENT DELIVERED BY MR. CHANDRA KUMAR GHIMIRE
SECRETARY FOR COMMERCE AND SUPPLIES, GOVERNMENT OF NEPAL
AT THE MINISTERIAL MEETING OF LANDLOCKED DEVELOPING COUNTRIES ON
TRADE AND TRANSPORT
ASTANA, KAZAKHSTAN, 15-17 May, 2018**

**Mr. Chairperson,
Hon'ble Ministers,
Excellencies,
Ladies and Gentlemen**

1. I begin with my deepest appreciation to the Government of Kazakhstan, particularly, Excellency Mr. Kairat Abdrakhmanov, Minister for Foreign Affairs and Excellency Ms Fekitamoeloa Katoa Utoikamanu, Under Secretary General, UN OHRLLS for convening this Ministerial meeting up to this mark. I would also like to extend my sincere gratitude for excellent hospitality accorded to us.
2. This Ministerial meeting will remain instrumental, *inter alia*, to review the progress of Vienna Program of Action (VPoA) and Trade Facilitation Agreement (TFA), to identify the overarching challenges of Sustainable Development Goals (SDGs), to share experiences and innovative approaches employed in developing connectivity and, finally, to diagnose a set of recommendations for the benefit of Landlocked Developing Countries (LLDCs).
3. The LLDCs often face certain specific challenges that keep the countries remote, isolated and less competitive from/in the

international market on account of their expensive transit & transportation cost. When it comes to Nepal, she suffers from a narrow production base, low productivity, insufficient or poor state of connectivity and high transportation cost, which collectively ostracize the country's trade prospectives in the domestic, regional and global markets. This also has resulted in a relatively high cost syndrom in doing business as compared to our coastal neighbors.

4. Internationally agreed development roadmaps, such as VPoA, IPoA and TFA, are placed to take care of the special needs of the LLDCs. However, many LLDCs like Nepal are still hungry for better physical and non-physical infrastructures as well as procedural changes to be carried out in the involvement of concerned transit country.
5. A secure, reliable and efficient transit & transport system reduces transaction cost on the one side and enhances value addition of goods from LLDCs on the other. Therefore, improvement of trade facilitation related infrastructures as well as simplified rules pertaining to trade and transit are indispensable measures to be fixed in this regard.
6. Trade facilitation is a key driver for the economic growth. Government of Nepal (GoN), thus, is chasing up TFA implementation and other complementary measures for reduction in the time and cost. GoN has already notified the category 'B' and 'C' and implementing the TFA of its own part. An enhanced trade facilitation positively complement to achieving the SDGs. As it is generally assumed, the full implementation of TFA could reduce trade costs in LLDCs by over 15

percent on average. In this backdrop, we ought to be and are committed to its true realization.

7. Nepal was in a big political transition and instability, which has now fully ended after successfully holding election and shaping its three-tier governance. Nevertheless, she has made significant progress in the realm of transport connectivity and trade facilitation during the last one decade. It is noteworthy that several initiatives have taken place to the end. For instances, rules and regulation about trade facilitation have been simplified to a certain extent. Trade related infrastructures have been constructed in order to scale up trade competitiveness to a better level. We also have commenced implementation of the SDGs since 2016 in such a way our aspiration for becoming a middle income country by 2030 is now leading the whole country. All these are attributed with the global slogan that "**no one left behind**" while eradicating poverty from the world.
8. Alone construction of transport and transit related infrastructures may not be sufficient condition for a country's prosperity. Their proper operation and maintenance are equally critical to harvest potential advantages. In this regard, we are of the view that bilateral and regional approaches to transit and transport cooperation can go a long way in providing more efficient and competitive choices to LLDCs, including my own country.
9. Furthermore, we believe that concerns and special needs of the LLDCs deserve utmost attention within the umbrella of the Multilateral Trading System on road to the SDGs. To help the LLDCs fully benefit from the trade facilitation measures, we urge the international

community and development partners to go extra mileage meaning that they have to boost up investment by enhancing assistances for capacity building of these countries.

10. Taking the opportunity of this august presence, now I would like to touch upon our progress and experiences witnessed over the last some years since one of the chief purposes of this Ministerial Meeting is to review of progress made on the VPoA and TFA. First, in pursuit of taking benefits of e-commerce, Government of Nepal (GoN) is actively engaged in articulating a national action plan. Second, multiple Integrated Check Posts (ICPs) as well as Inland Cargo Depots (ICDs) are underway of construction in various major Customs points on both sides of the border with India and China. Third, a serious venture is being made so as to run full-fledged tradable highways and fast-tracks connecting various key markets of the country with transit point. In view of planting a new state-of-arts in trade facilitation as per the spirit of TFA, a Customs Modernization Plan (2017-2021) and National Single Window (NSW) are underway of their implementation. Fourth, railway infrastructure is another our priority wherein GoN is focusing on to enlarge trade & investment to a greater extent. It includes East-West as well as South-North railway wherever it is imperative. Fifth, following the last visit of Rt Hon'ble PM of Nepal to India, Gol (Government of India) and GoN have jointly agreed to develop Inland Water Ways to access sea for Nepal. Accordingly two Governments are expediting the matters so as to ensure infrastructure and transit provision in transit protocol to harness benefits from this new transit window. Sixth, aiming at additional gateway ports, GoN is negotiating with Gol to have more

feasible ports in addition to Kolkata and Visakhapatnam Ports. Seventh, recently during the Commerce Secretary level bilateral meeting between GoN and Gol, it has been a turning point that Nepali side has proposed to Indian side an idea of trilateral transit arrangement, including road, rail and inland waterways, among Nepal, India and Bangladesh, which is now evolving to its logical conclusion. Eighth, GoN is attempting its efforts also to utilize the room of the 'One Belt One Road' initiative of China primarily in infrastructure development. Ninth, recently both GoN and Gol have made an bilateral understanding that a comprehensive review of Treaty of Trade will be carried out to address Nepal's growing trade deficit with India. Likewise, both the Governments have jointly agreed to pave the way towards amendments in the existing Treaty of Transit as well as Rail Services Agreement (RSA). Tenth, in line with the Treaty of Transit signed between GoN and Government of China (GoC), further works are being undertaken to fully operationalize the transit via Chinese territory for the benefits of Nepal cargo. Finally, development of two more new international airports is another trajectory GoN has created so that future trade capacity of Nepal will be considerably moved up.

11. Finally, we emphasize the ministerial meeting would be productive to deliver the recommendations on the areas of implementing issues of IPoA, VPoA, TFA and the SDGs. We must continue our efforts for special recognition of our group in all multilateral forums and processes. We must work for a more robust transit and transport system to integrate LLDCs into the global economy and to fulfill the SDGs in their reality.

Thank you for your kind attention.