

## ► Decision To Include RMG In NTIS Draws Flak

**KATHMANDU, Sept 9:** The government's decision to include readymade garment (RMG) in the Nepal Trade Integration Strategy (NTIS) 2010 has drawn strong criticism from experts as RMG does not comply with basic eligibility criteria.

The methodology that the government endorsed then for selecting a product clearly states that the product must post a consistent rise in exports for three consecutive years to be included in NTIS. It also needs to satisfy other indices that measure its current demand in the international market, domestic supply capacity and also its potential socioeconomic impact in Nepal.

"But RMG had failed in all these parameters. And it still does not fit well on the indices," said Dr Posh Raj Pandey, trade expert and former member of the National Planning Commission.

He flayed the ad-hoc inclusion decision, saying that it would only affect and dilute the priorities that NTIS has set to give impetus to the country's ailing outbound trade.

The High-Level Business Forum (HLBF) chaired by the prime minister under the Nepal Business Forum (NBF) -- a public-private platform working to improve investment climate -- had decided to include RMG in NTIS on Thursday.

On being queried over the decision, Anil Kumar Thakur, joint secretary at the Ministry of Industry and coordinator of the working group that pushed for the decision, said the group suggested for RMG's inclusion as per the recommendation from the Ministry of Commerce and Supply (MoCS).

Interestingly, MoCS officials said they made the recommendations not on the basis of the merit of the product, but under pressure from RMG producers.

"We recommended inclusion of RMG in NTIS as pressure from the garment producers was immense," Lal Mani Joshi, commerce secretary, told Republica.

"Besides, there is no denying that RMG was once the largest export of the country and its export still stands at over Rs 4 billion, making it the second largest export item," he added.

Inclusion of RMG in NTIS would entitle it to special treatment and support from the government, such as budget for product development and promotional incentives.

But as RMG industry is completely dependent on imported raw materials and its market is highly volatile due to political influence exerted by a strong lobby of global producers and importers, experts say using the state-fund and support to such 'undependable' product would be meaningless.

NTIS 2010 has included 19 products, including goods such as cardamom, ginger, honey, lentil, tea, instant noodles and handmade paper, and seven services like tourism and healthcare in its list.