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OPINION IN LEAD

Nepal India energy trade

Nepal meets 30 per cent of its annual electricity demand through imports from India. But it took the two countries six years to hold a Power Exchange Committee meeting after the Committee created in 1992 last held the meeting in 2011. The electricity authorities of the two nations met in the first week of August 2017 to discuss, among others, issues related to tariff rate for electricity exported to Nepal and construction of transmission infrastructure for cross-border electricity trade.

The potential of energy cooperation between Nepal and India is well acknowledged in both the countries. At present, Nepal is at the importing end. Nepal's import of electricity from India in 2015-16 amounted to 35 per cent of the annual available energy. Same figure stood at 30 per cent during the first eight months of the fiscal year 2016-17, according to the figures published in Nepal's latest Economic Survey.

Despite the prospect, Nepal still is an energy-deficient country with the gap between total electricity demand and supply standing around 38 per cent of the demand, according to Nepal Electricity Authority (NEA) figures. The per capita energy consumption of Nepal stands at 132 kwh, which is far below the global average of 3128 kWh. Likewise, only 58 per cent of the total population is connected to the electricity transmission grid and these connected households also suffer from frequent power cuts. Till 2016, the capital city suffered through daily power cuts up to 15 hours.

At the same time, India's fast-growing economy will see a surge in energy demand to keep pace with the expanding economic activities and improved lifestyle of its people. BP's Energy Outlook has projected India's energy consumption to grow by 4.2 per cent a year by 2035. Coal and natural gas reserves are likely to be the main source of energy for India. But the imperative of adopting cleaner energy sources would necessitate India to increase the share of clean energy sources in its total power generation. This is beneficial to neighbouring Bhutan and Nepal endowed with enormous hydropower potential.

The seasonal variability between peak generation and peak demand between Nepal and India is likely to make energy trading a reality within the next couple of years. Nepal has a great complementarity in the form of exporting the excess electricity during the wet seasons and importing energy to meet demand during the dry season. Realising this potential, Nepal has expedited the construction of its transmission infrastructure. Indian investment in Nepal's hydropower sector is also increasing. A new Power Trade Agreement signed in October 2014 between Nepal and India is not limited to arrangements regarding export and import of electricity between the countries, but also specifically encourages power sector investments.

Notwithstanding the potential for energy cooperation (including trade) between Nepal and India, there are concerns over the way hydropower projects, with extremely low generation costs, have been allowed to be developed as export-oriented ventures even as the country reels under crippling power shortages. Exporting cheap power may be tantamount to exporting away the potential multiplier benefits which could otherwise accrue from powering domestic industrialization, currently stunted by, among other factors, a lack of cheap and reliable electricity supply. The option of developing some of the mega hydropower projects as scaled-up multipurpose ventures that would not just generate more electricity but also serve the vast irrigation needs of a poor country where only 55 percent of agricultural land is irrigated has been raised by experts, the civil society and grassroots activists, but which has been given short shrift by officialdom. Developing the best hydropower projects optimally, and demonstrating a credible stance for meeting Nepal's power needs beyond the headline estimates of *suppressed* demand, will be the first step towards getting the buy-in from the wider public for inter-country energy cooperation that features substantial electricity exports from Nepal.

Process-wise, ensuring wider stakeholder consultations on the development of domestic water resources and greater transparency in the award of hydropower projects, and, subsequently, the negotiating and signing of project development agreements (PDAs) are a must for Nepal-India energy trade to yield mutually beneficial results. The manner in which PDAs for export-oriented projects was negotiated and signed bordered on a cloak-and-dagger operation, prompting the civil society to successfully move the apex court seeking an order for making the deals public. Also needed to allay concerns that Nepal may not be getting a fair deal as a nation when it is having to buy dear (when importing) and sell cheap (when exporting) is a mechanism that ensures a fair price for its electricity exports, taking account of the asymmetric power relations between the two neighbours.

Throwing a spanner in the works of the future of electricity exports from Nepal to India, even if the above issues are addressed, is a recent regulatory decision by the Indian government. In December 2016, New Delhi issued "Guidelines on Cross Border Trade of Electricity", which has created confusion among independent power producers in Nepal, mostly among large foreign investors, regarding their prospects of exporting electricity to India. According to the guidelines, Indian public sector undertakings or private companies with 51 per cent or more ownership by Indian entities or government-controlled companies of the neighbouring countries will be eligible to participate in cross-border trade in electricity. This provision implies that the energy generated by private entities or foreign companies in Nepal may not be evacuated to India.

Besides dealing with these ambiguities and regulatory concerns, setting up necessary infrastructure, and, importantly, instituting a genuinely participatory approach to harnessing Nepal's water resources in full cognisance of Nepal's energy security needs and industrialization aspirations, successful cross-border electricity trade between Nepal and India also requires harmonisation of operational procedures to ensure uniformity of policies, standards, codes, procedures and guidelines.

ANALYSIS

Regional cooperation for disaster risk reduction

This year's monsoon has yet again left South Asia in the havoc of floods and landslides that have already claimed hundreds of lives and displaced millions across Bangladesh, India and Nepal. By virtue of its geographic and socio-economic circumstances, South Asia is highly prone to natural disasters, making it one of the most disaster-prone regions in the world.

Emergency Events Database developed by the Office of United States Foreign Disaster Assistance and the Centre for Research on the Epidemiology of Disasters reports that during the period 1967-2006, about 937 natural disasters are reported in South Asia that cumulatively affected two billion people. About 800,000 people died, and the cumulative direct economic losses are calculated at US$80 billion. Out of the total disasters, 50 percent are floods, 13 percent earthquakes and 25 percent cyclones.

Oxfam estimated in 2008 that between two and six percent of South Asia's GDP is lost to disasters every year. The total value of direct and indirect impacts of 2015 earthquake in Nepal is estimated at US$7 billion, which is about one third of the country's 2013/14 GDP. In Pakistan, the estimated damage resulting from the 2010 floods was close to US$10 billion representing 5.8 percent of the country's 2009/2010 GDP.

Small economies—especially the Least Developed Countries (LDCs) and Small Island Developing States (SIDS)—are more vulnerable to hazards. In the case of the Maldives, the estimated damage from the 2004 Indian Ocean earthquake and tsunami was a staggering loss of over 62 percent of its GDP, which postponed its LDC graduation for five years.

South Asian countries have formulated various disaster prevention and mitigation policies, and mechanisms at the national and regional levels. Such programmes are designed along the lines of the Hyogo Framework for Action (HFA), 2005-2015. The HFA aims to ensure "the more effective integration of disaster risk considerations into sustainable development policies, planning and programming at all levels, with a special emphasis on disaster prevention, mitigation, preparedness and vulnerability reduction".

The 2005 Indian Ocean tsunami accelerated the formulation of Disaster Management Acts, and establishment of the National Disaster Management Authorities (NDMAs) in several South Asian countries. Afghanistan, India, Pakistan and Sri Lanka now have NDMAs with necessary National Disaster Acts. Bhutan passed an updated Disaster Act in 2013, while the Maldives has a National Disaster Management Centre but lacks disaster management legislation. Nepal and Bangladesh operate according to laws dating back to 1982 and 1997 respectively.

While policies on disaster preparedness, prevention and mitigation are being put in place, their actual implementation is dismal in most cases. South Asian countries are not able to establish effective support mechanisms for their implementation. Consequently governments' responses during the time of natural disasters are mostly ineffective. External support, including from development partners, is often required to ensure that the immediate relief needs of the affected population are met in a timely and effective manner. The overwhelming majority of disaster spending is used to respond to disasters, as the spending on disaster response is much easier than investing in a well thought out plan to mitigate disasters in the first place.

Amid the poor performance of the South Asian countries in disaster risk reduction (DRR), Bangladesh has a reputation of effective implementation of DRR policies and programmes over the past few decades that have reduced country's disaster-related risks. Bangladesh has successfully mainstreamed DRR into its Poverty Reduction Strategy Paper (PRSP) from 2005. This strategy identifies comprehensive disaster management as one of sixteen policy matrices and also includes various disaster risk management goals and actions under other policy matrices.

National efforts alone would not be adequate to reduce the risks of disasters as some of the root causes of disasters are transnational in nature and can only be addressed through regional collaborations. Based on the HFA, SAARC has developed its regional framework for disaster reduction. In the aftermath of Indian Ocean tsunami of December 2004, a 'Comprehensive framework on disaster risk management in South Asia' was approved by the 14th SAARC Summit held in New Delhi in April 2007. The framework sought to establish a regional system and associated institutions to develop and implement regional programmes and projects for early warning, disaster preparedness, emergency relief and rehabilitation.

The 13th SAARC Summit held in Dhaka in 2006 had established the SAARC Disaster Management Centre (SDMC) in New Delhi. The SDMC was mandated to provide policy advice, facilitate capacity building services and exchange of information, among others, for effective DRR mechanisms in South Asia. The SDMC has produced some disaster-related regional guidelines, conducted technical trainings, and developed a mechanism for collective emergency response for ratification by states.

A potentially major contribution of the SDMC is the development of a Natural Disaster Rapid Response Mechanism (NDRRM). In 2011, the SAARC Agreement on Rapid Response to Natural Disasters was drafted and signed by all Member States. It calls on countries to allocate assets and capacities for regional standby arrangements on a voluntary basis. While NDRRM was ratified by India in 2012, it still awaits the ratification of other Member States.

Also under the SDMC, an agreement has been signed to establish a SAARC Food Bank to be utilized during emergencies and food shortages in the region. However, the Bank remains non-functional due to the lack of an operational modality. India has also launched a SAARC satellite, among others, to address regional telecommunications and disaster management needs.

Despite these effort, regional mechanism to fight disasters have rarely been absorbed by the member states to influences their DRR national capacities in any meaningful way.

Natural disasters not only kill people, and destruct economic and social infrastructure, they also set back poverty reduction programmes and cause diversion of government funds to pay for reconstruction and recovery efforts. Disasters pose a serious threat for the South Asia region that is poor and faces severe resource constraints to meet its development challenges.

NEWS

IPR remains one of top bilateral trade issue with India: US report

As India became the ninth single country trading partner for the United States (US) in 2016, an official US report has pointed out that the Intellectual Property Rights (IPR) remains to be one of the top bilateral trade issues between India and the US.

India remained on the priority watch list in 2016 due to a lack of measurable improvement to its IPR regime, said the annual report 'The Year in Trade 2016', released by the US International Trade Commission (USITC). India remained on the priority watch list in 2016 due to a lack of measurable improvement to its IPR regime, it noted.

According to the annual USITC report, India's economic growth also slowed, decreasing from 7.9 per cent in 2015 to 6.8 per cent in 2016. Although it still had one of the highest growth rates in the world in 2016, India has notably fewer linkages to the global economy than China does.

India's services sector accounts for the majority of its growth, and it has a relatively small manufacturing sector and a per capita income of US$6,590 in 2016.

The report notes that in 2016, India became the US' ninth-largest single-country trading partner (based on two-way merchandise trade), rising from 10th-largest in 2015.

USITC said although US exports to India went up slightly in 2016, the US merchandise trade deficit with India rose 4.2 per cent to USD 24.3 billion in 2016 as imports grew even more than exports.

Total US services trade with India grew 10.3 per cent to USD 46.7 billion in 2016, it said.

USITC said in 2016, there were several active World Trade Organization dispute settlement proceedings involving the US and India.

Source: http://economictimes.indiatimes.com, 26.07.2017.

"TFS proposal gets mixed response from WTO members"

India's proposal at the World Trade Organization (WTO) to negotiate a trade facilitation pact in services has received a mixed response from member countries. In February, India had circulated the draft legal text on the Trade Facilitation in Services Agreement (TFS) at the WTO.

Commerce and Industry Minister Nirmala Sitharaman said the proposal has been discussed at the relevant services bodies of the WTO.

The proposal provides a framework to address various impediments to trade in services in a comprehensive and holistic manner, she said in a written reply to the *Rajya Sabha*.

"India's proposal received a mixed response from the WTO members. Some members appreciated India's proposal as being comprehensive in scope and well balanced. However, several developed and developing country members expressed concern on the scope and content of the draft agreement," she said.

Replying to a separate question, Ms. Sitharaman said an association of pharmaceutical manufacturers of America has asked the United States Trade Representative to continue to keep India on its Priority Watch List in the Special 301 Report.

The Special 301 Report issued by the US is a "unilateral measure" to create pressure on countries to enhance Intellectual Property Rights (IPR) protection beyond the WTO rules.

Under the WTO regime, any dispute between two countries needs to be referred to the dispute settlement body and unilateral actions are not tenable under this regime, she added.

Source: www.dnaindia.com, 19.07.2017.

SAARC members urged to focus on removal of non-tariff barriers

South Asian Association for Regional Cooperation (SAARC) region holds immense trade and investment potential and to actualise that potential special focus and effort is required for regional integration, Pakistan's Federal Commerce Secretary Mr. Younus Dagha said on 12 July during a meeting with the members of South Asia's private sector representatives.

"SAARC member countries must focus on removal of non-tariff barriers (NTBs) and work for enhancing business to business (B2B) interaction to boost trade," Mr. Dagha said while chairing a meeting with the SAARC Chambers of Commerce and Industry (SAARC CCI) led by its president Mr. Suraj Vaidya. He expressed that establishment of SAARC CCI has provided a platform to the business communities of region for coming together and discussing the prospects of doing business together.

He highlighted that although SAARC region holds immense trade and investment potential, being home to 21 percent of world's population, it still remains one of the least integrated regional blocs with intra-regional trade constituting only five per cent of the total world trade, in comparison to 51 per cent for North America Free Trade Agreement (NAFTA) and 25 per cent for Association of Southeast Asian Nations (ASEAN).

The Commerce secretary also mentioned that SAFTA has fallen short of expectations due to complex safeguard measures and non-tariff barriers among SAARC member countries.

He commended the efforts of the SAARC CCI for arranging the activities like SAARC Business Conclave and an exhibition on the sidelines of every SAARC Summit.

On the occasion, Mr. Vaidya updated the commerce secretary on the progress made on the permanent headquarters building project at Islamabad and expressed gratitude for releasing of funds for the building and said that it will help in strengthening the capacity-building of the institution.

Mr. Younus assured the delegation that Ministry of Commerce will provide full support to the SAARC CCI in achieving its objectives and hoped that SAARC CCI will continue to create business-friendly environment that helps businesses to succeed.

Source: http://nation.com.pk, 13.07.2017.

GCF Board adopts host of important decisions

The Board of the United Nations Framework Convention on Climate Change (UNFCCC)'s Green Climate Fund (GCF) adopted a host of important decisions at its 17th meeting held in Songdo, South Korea, from 6-7 July.

Of crucial importance were decisions related to policy matters related to the approval of funding proposals. These decisions followed discussions from the agenda items on ‘review of the initial proposal approval process’ and ‘matters arising from the informal discussions’.

The Board also accredited six new entities that will be able to access the funds resources for projects. The entities accredited included Infrastructure Development Company Limited (IDCOL), Bangladesh; Small Industries Development Bank of India (SIDBI), India; Micronesia Conservation Trust (MCT), based in the Federated States of Micronesia; CDG Capital S.A. (CDG Capital), Morocco; Bank of Tokyo-Mitsubishi UFJ Limited (BTMU), headquartered in Japan; and Japan International Cooperation Agency (JICA), also headquartered in Japan.

In the decision on the review of the initial proposal approval process adopted, the Board decided to update the project and programme activity cycle.In the decision adopted on the approval process, the Board underscored “the importance of early engagement by accredited entities with national designated authorities and focal points in the preparation and submission of concept notes”.

The Board also agreed to insert a new stage into the project and proposal activity cycle: “On receipt of a concept note submission from an accredited entity, the Secretariat will seek confirmation from the national designated authority or focal point that the concept note fits under national priorities and country ownership”.

In the decision adopted, the Board requested the Secretariat “to develop an interim restructuring and cancellation policy, including further options for decision-making, for consideration by the Board no later than its eighteenth session, and a comprehensive restructuring and cancellation policy no later than April 2018.”

Another very significant decisions adopted on matters relating to funding activities in the forestry sector aimed at reducing emissions from deforestation and forest degradation in developing countries known as ‘REDD-plus’.

The next board meeting is scheduled from 30 September to 2 October in Egypt.

Source: www.twn.my, 10.07.2017.

Nepali importers haul vessels to Vizag port as Kolkata proves costlier

After over 30 per cent growth in 2015-16, rail movement of US$3 billion worth transit cargo recorded a slower 15 per cent growth in 2016-17 Nepali financial year (16 July 2016-17 July 2017), reportedly due to the constraints in wagon-loading capacity at Netaji Subhash Dock in Kolkata port.

While movement of cargo from Visakhapatnam port has just started, Nepali traders expect it to gain momentum, sooner than later, due to both cost and time advantages over Kolkata port.

“Container shipping liner Maersk delivered the first rake (a cargo train) of cargo from Visakhapatnam to Birgunj in Nepal in mid-June. They are expected to bring the second rake in the third week of July,” an importer in Nepal said.

Though the distance to Birgunj from Visakhapatnam is double than that from Kolkata, a lower sea freight between Chinese ports and Visakhapatnam, and efficient port-handling is compensating the relatively higher rail freight from Visakhapatnam to Birgunj.

Unlike the river port in Kolkata that can accommodate only smaller vessels, Visakhapatnam is a deep-water sea port where large container ships can be unloaded.

To make the deal even better, Maersk starts the counter for the normative 14-day window to return the empties, five days after the import cargo reaches Birgunj.

“Operations through Visakhapatnam are proving to be both time- and cost-efficient. Detention and demurrage charges are zero,” said Mr. Ashok Temani, an importer and Chairman of the Trade and Transit Committee of Nepali apex chamber, Federation of Nepalese Chambers of Commerce and Industry (FNCCI).

High detention and demurrage are the prime complaints of Nepali importers against the Kolkata port. According to Mr. Temani, it takes up to 30 days for importers to return the container to Kolkata, attracting penalty.

The delay is primarily due to capacity constraint at Netaji Subhash Dock. While Kolkata Port Authority has undertaken a project to increase the capacity, importers are forced to take the costlier road option.

Unlike the Maersk offer for Visakhapatnam cargo, no shipping liner offers extended detention window for containers arriving at Kolkata. Sources blame it on poor working conditions and a strong grip of political syndicates, adding to the overall cost structure.

According to Mr. Temani, this, coupled with refusal of Indian customs authorities to open a second loading point outside the port, is adding to the misery of the Nepali importers. They cannot use facilities at the Haldia Dock complex due to the absence of consular services there.

The monopoly granted by Nepal to Indian government-owned Container Corporation in running container freight and dry port services is further preventing the entry of top global logistics firms that offer end-to-end services.

Source: thehindubusinessline.com, 10.07.2017.

Afghanistan, Turkmenistan sign seven cooperation accords

Afghanistan and Turkmenistan on 10 July 2017 signed seven bilateral cooperation agreements in the presence of the presidents of the two countries in Ashgabat, the Turkmen capital.

During the high-level meeting, Afghan President Mr. Ashraf Ghani and his Turkmen counterpart Mr. Gurbanguly Berdimuhamedov held discussions on the future of the Afghanistan-Turkmenistan relations and also on the regional and international issues, a joint statement said after the meeting between the two leaders. Also, seven bilateral cooperation agreements, including supply of Turkmen electricity to Badghis and Jawzjan provinces in Afghanistan were signed on the occasion. Other agreements were about international road transport, cooperation in carpet industry, regulations on organization of railway communication through the Turkmen-Afghan border between stations Akina-Imamnazar and International Railway checkpoint at the Turkmen-Afghan border.

Mr. Ghani and Mr. Berdimuhamedov emphasized on special relations, solidarity and mutual respect between the two countries and put high priority on strengthening ties, the joint statement said. They emphasized on the role of bilateral consultations in implementation of programs related to bilateral cooperation and had common viewpoints on regional and international issues.

The presidents also emphasized on effective role of joint economic-trade commission in expanding bilateral relations and agreed on expanding cooperation in transportation, oil and gas, chemical industry, textile, carpet waving industry, farming and other interesting sectors.

There was agreement on expanding cooperation in railroad systems and taking certain measures including reconstruction and repairing of the Serhedabad-Turghandi railroad and also expanding Aqina railroad.

About energy production and energy transit projects, particular, emphasis was on implementation of multilateral projects such as Turkmenistan-Afghanistan-Pakistan-India (TAPI), Turkmenistan-Afghanistan-

Pakistan (TAP) electricity project, and Turkmenistan-Uzbekistan-Tajikistan-Afghanistan-Pakistan (TUTAP) electricity transit project.

Taking into account the transit and transportation potentials of the two countries, the presidents emphasized on Afghanistan-Turkmenistan-Azerbaijan-Georgia-Turkey trade and transit corridor and Tajikistan-Afghanistan-Turkmenistan railway.

Source: www.pajhwok.com, 04.07.2017.

Nepal to seek access to two land, three sea ports in China

Nepal is set to propose Beijing for access to two land and three sea ports in China for enhancing connectivity with Europe. Nepali Ministry of Commerce has prepared a draft and sent it to the Ministry of Foreign Affairs (MoFA) for consultation.

The proposal will be put on the table “in the near future” at a meeting to be held in Kathmandu for formulating a protocol on the Transit Transport Agreement (TTA), according to an official at the Ministry of Commerce. The TTA was signed with China in March last year during then prime minister of Nepal Mr. KP Sharma Oli’s visit to Beijing.

The protocol, which is key to actualisation of the treaty, will allow Nepal to conduct trade with third countries through China. Nepal presently conducts trade with third countries only through India.

“This is purely based on our interest and will be put on the table at a meeting to be held in the near future,” Mr. Rabi Shanker Sainju, Joint Secretary at the Ministry of Commerce, said.

The ministry has stated that further moves will be made after the meeting “yields positive results”.

It also said that it is waiting for inputs from MoFA to give final touches to the draft proposal. A meeting with officials from the Embassy of China in Kathmandu will be held after the appointment of minister for commerce.

After Nepal signed up to China’s ambitious Belt and Road Initiative on 12 May, an early deal on the protocol on the TTA, officials say, would ensure landlocked Nepal’s early trade diversification with the third countries.

The TTA allows Nepal to use the nearest Chinese port situated in Tianjin and help end the country’s dependency on India.

The move of seeking approval from China to use five more port is in line with the government plan of increasing trade via China. “We can see bottlenecks in Kolkata. The initiative has been taken with a view to avoid such issues,” Mr. Sainju said.

Access to the third countries via China will hugely benefit Nepal in terms of diversifying its trade, but poor infrastructure on the Nepali side, difficult geographical terrain and lackadaisical approach from the political leadership, among others, have delayed the plan.

Source: http://kathmandupost.ekantipur.com, 03.07.2017.

ACTIVITIES

Migration and labour dynamics in post-disaster Nepal

South Asia Watch on Trade, Economics and Environment (SAWTEE) organised a forum to discuss the interaction of migration, labour and remittance with the ongoing post-disaster reconstruction efforts on 19 July 2017. Despite decelerated outflow of migrant workers from Nepal post April 2015 earthquake, the reconstruction work is hit by the shortage of manpower, the experts pointed out during the interaction.

The discussion program was organised under a project called 'Initiating Dialogue on Post-Disaster Reconstruction' with support from The Asia Foundation. Under the project, a series of dialogues is being conducted on various topics related to reconstruction.

During the interaction titled 'Migration and Labour Dynamics in Post Disaster Nepal' Nepal's prominent labour and migration expert Dr. Ganesh Gurung presented his research findings. The data shows that the monthly outmigration for foreign employment stood at around 50,000 persons has stabilised below 40,000 since the earthquake, he pointed out. At the same time, reconstruction efforts have been affected by lack of labourers, he added.

To meet the labour shortage, reconstruction is being handed over to migrant labourers from India and Bangladesh, he said. Moreover, the earthquake has also diverted migration from Nepal's mid- and far-western hills to the earthquake affected districts in central and western Nepal, he pointed out. The earthquake has pushed the daily wage from NPR 500 to NPR 800 in the rural areas.

Participants representing civil society organizations, academia, labour unions, foreign employment agencies pointed out issues such as, 'free visa, free tickets' for migrant workers post-earthquake has, in fact, created confusion delaying the departure of workers; expenditure of remittance income on education should be considered an investment not consumption creating positive impact on the economy; country has not focused on utilising expertise of returnee migrant workers for rebuilding, among others.

WTO Services Waiver: Exploring opportunities and challenges for Nepal

Ministry of Commerce, together with South Asia Watch on Trade, Economics and Environment (SAWTEE), organized a half-day workshop on "WTO Services Waiver: Exploring opportunities and challenges for Nepal" on 9 July 2017. The objective of the workshop was to discuss the status of services sector in the Nepali economy and its role in export promotion. The programme also discussed the multilateral rules governing the services sector, including Services Waiver, and explored ways to benefit from the waiver provided to the least-developed countries (LDCs) by the developed and developing World Trade Organization (WTO) members.

WTO members adopted a decision to provide preferential treatment for services and services suppliers of the LDC members at the Bali Ministerial Conference, and is generally known as the 'Services Waiver'. The preferences are subject to terms, limitations and conditions specified in the schedule of services commitments of the member countries. In response to the collective request of LDCs, the members of the WTO have submitted their services waiver commitment to the WTO Council for Trade in Services. So far 23 WTO members have submitted their Waiver commitments. The LDCs have 15 years from the day the Waiver is notified to the WTO to benefit from the provision.

Dr. Posh Raj Pandey, Executive Chairman of SAWTEE, during his presentation presented the status and trend of services sector in the Nepali economy. He also explained the General Agreement on Trade in Services (GATS) under the WTO and the Services Waiver provision accorded to the LDCs. The presentation focused on various Waivers provided by the developed and developing WTO members within the 12 sectors and four different modes of services trade defined under the WTO regime. He highlighted the market access and national treatment provisions in the Waiver notifications of countries that may be possible destination of services export of Nepal, such as the European Union, China, United States, India, and Australia. He explained the Waivers provided in sectors such as Communication services, Construction services, Education services, Financial services and Tourism and travel-related services.

Speaking during the programme, Mr. Naindra Prasad Upadhyaya, Secretary at the Ministry of Commerce opined that there is a need for wider consultation with the private sector to understand the nature and direction of the services sector in Nepal to be better prepared to undertake negotiations in the bilateral, regional and multilateral levels.

The workshop brought together government officials, practitioners, private sector representatives, media personnel, academics and various other stakeholders to share their knowledge and experience in services trade. A total of 40 participants attended the programme.

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