Nepali gov't to formulate new policy to boost domestic trade

KATHMANDU, June 21 (Xinhua) -- Nepali government will formulate an Internal Trade Policy (ITP) to better manage and develop local markets and boost local trading activities, local media reported on Thursday.

The larger concern of the policy is to better serve the interest of consumers, said an official at Department of Commerce and Supply Management (DoCSM)). "Its goal is to facilitate the establishment and development of value chain, increase employment and income opportunities through expansion of commerce and ultimately attain poverty reduction," Narayan Prasad Bidari, director general of the DoCSM told Republica daily.

The department has outsourced the task of preparing the ITP to South Asia Watch on Trade, Economics and Environment (SAWTEE), a Katmandu-based regional think tank.

If the government came up with the policy, it will be the first of its kind on internal trade. So far, the government has policy on foreign trade only. Supply policy too was formulated only recently.

"We expect SAWTEE to submit the draft within a week," said Bidari, adding that the department will widely circulate it and incorporate all the feedbacks before finalizing it.

SAWTEE officials drafting the policy said the ITP will aim to promote domestic trade by enhancing the backward and forward linkage that directly support the farmers to get returns from their productions in the longer term.

Ratnakar Adhikari, general secretary of SAWTEE said the formulation of ITP was important as the government has so far been giving less attention towards increasing the size of domestic trade.

"We must have a substantial size of domestic trade even while giving special emphasis on promoting exports. Only this balanced approach will help us develop a sustainable economy," said Adhikari.

Officials said the ITP will broadly be an integrated framework to promote the domestic productions and increase manufacturing sector's contribution in the economy.