


Training on International Trading Systems and Trade Development  
Opportunities in Nepal

**International Marketing Research and Market  
Access for Nepalese Products**

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South Asia Watch on Trade, Economics and Environment (SAWTEE)  
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What, Why  
and How of  
International  
Marketing  
Research

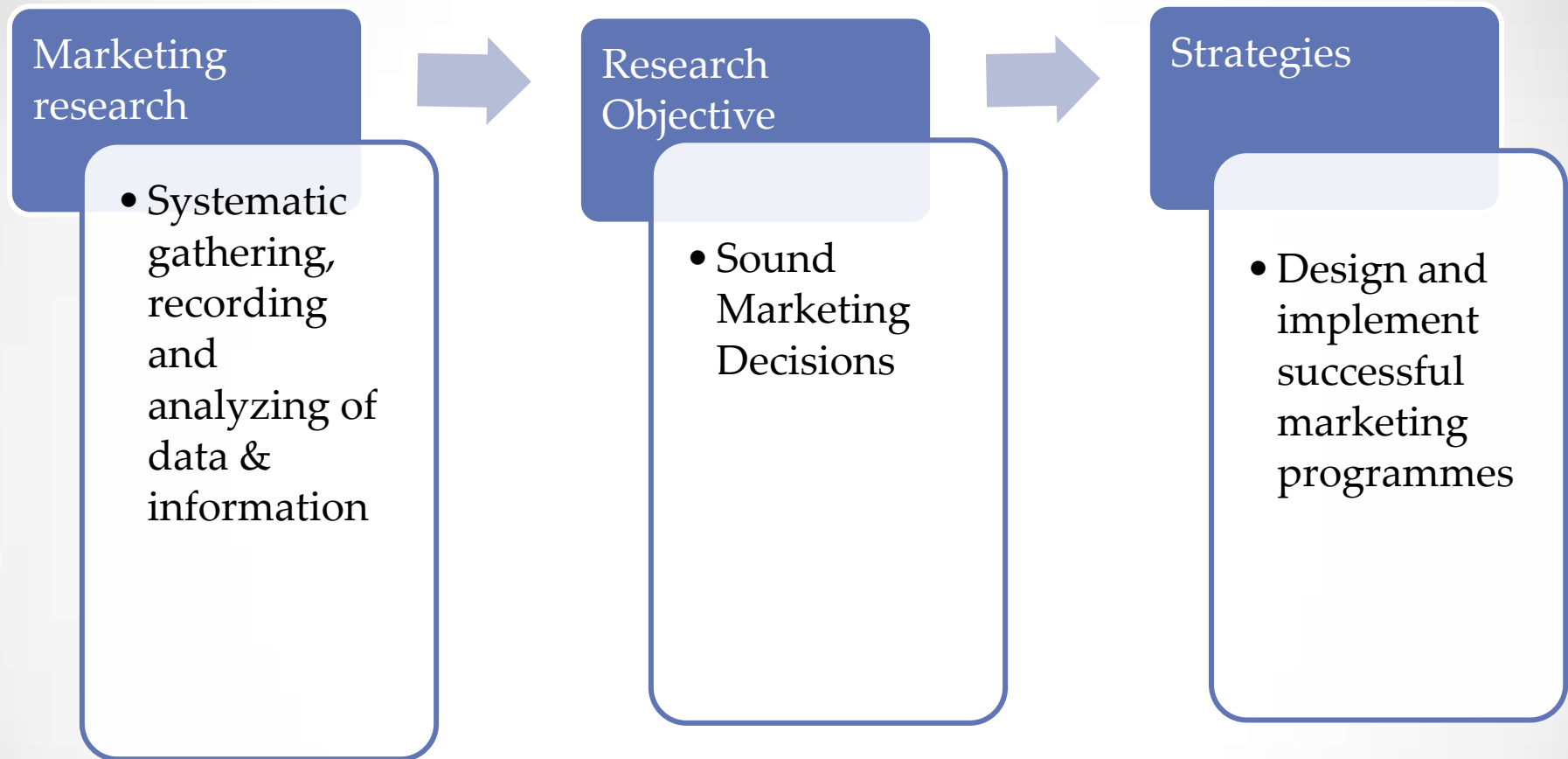
Market  
Access  
Barriers

Preferential  
Market  
Access to  
Nepalese  
Export

Assessment  
of  
preferential  
access

Conclusion

# International Marketing Research: WHAT?



# International Marketing Research: WHY?

## Environmental impact

- Trade and marketing environmental elements

## Competitive position

- Rivals' strategies and positions

## Consumption and demand pattern

- Consumer behavior: Consumption pattern, income and expenditure

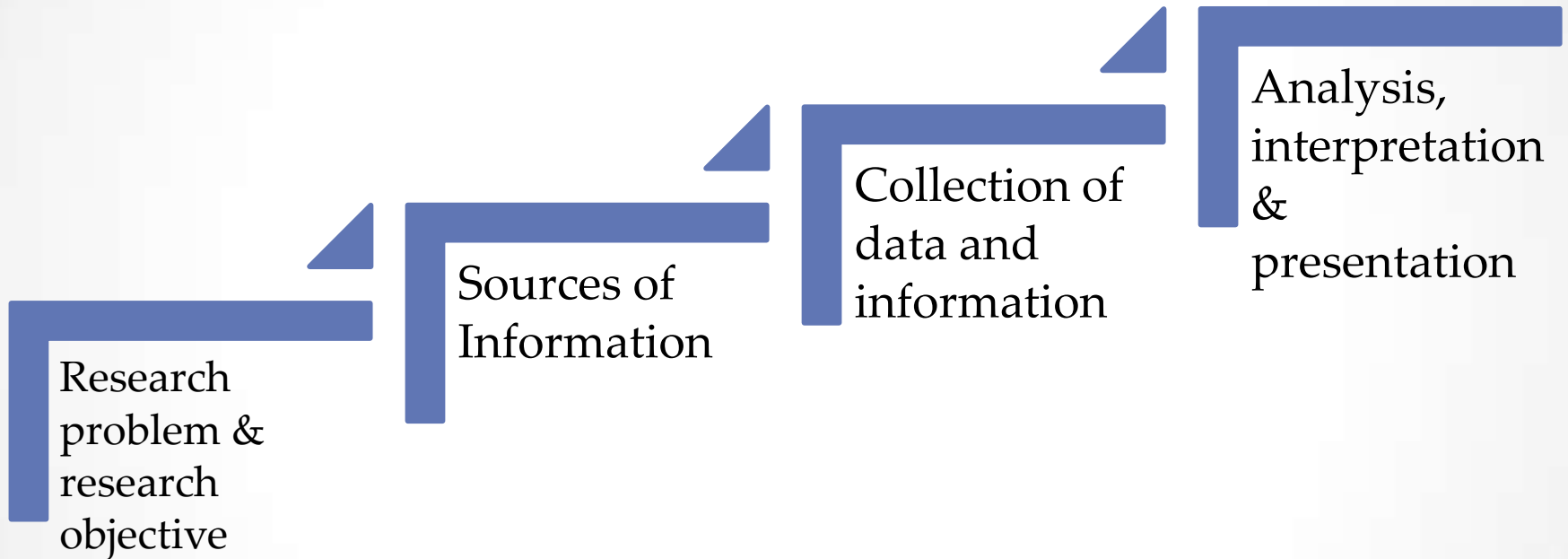
## Demand forecasting

- Estimation of future demand and production strategy

## Market access

- Trade barriers and preferential market access

# International Marketing Research: HOW?



# Breadth & Scope

## General Information

### **Environmental Conditions:**

- Economic
- Socio-culture
- Political & Legal
- Market Trends
- Market Access

## Specific Information

For solving problems arising in marketing mix

## Forecasting Information

Future marketing requirements by anticipating social, economic and consumer trends within specific markets & countries

# Cross comparison



# Market Access: Fair or Fare

## Tariff

Duties imposed at border

- Ad valorem
- Specific
- Compound
- Retaliatory measures
- Countervailing
- Anti-dumping
- Safeguarding

## Non-tariff

Regulatory barriers

- Quota
- VER
- Rules of origin
- Technical/administrative regulations (Standards, testing & certification (Product, SPS, Eco-labeling))
- Procurement policy
- Buy National policy



# Market Access: Fairer or barrier

## Tariffs

- Decreasing average tariffs
- Increasing bound tariffs
- Revenue or protective motive

## Non-tariff

- Diverse in nature
- Non-transparent
- May overlap with tariffs
- Difficulty to quantify
- Difficulty to reciprocate

# Dismantling barriers: Tumbling tariffs, rising non-tariffs

- **Tumbling tariffs**
  - Constant reduction in world average tariffs
  - Ongoing tariff reduction negotiations
- **Remaining tariffs**
  - High tariffs
  - Tariff peak
  - Tariff escalation
- **Preferential tariffs**
  - GSP
  - FTA
  - BTA
- **Prohibited NTBs**
  - Quantitative restrictions and VER
  - Tariffications of NTBs
- **Harmonization**
  - SPS
  - TBT
- **Contingency measures**
  - Countervailing
  - Anti-dumping
  - Safeguarding

# Market access: Preferential Schemes

## GSP

- Reduced or zero rate over MFN
- Wider coverage and deeper cuts to LDCs
- Eg. Duty-free access to OECD/Quad countries

## FTA

- Preferential access to member country markets
- Eg. SAFTA

## Bilateral

- Negotiation on preferential access on reciprocity or non reciprocity basis
- Eg. Nepal-India bilateral trade treaty

# Preferential treatments: Generous to Nepal

## GSP (Quad)

- Unilateral
- Not bound
- Non-discriminatory
- Non-reciprocal
- Divergent

## FTA (SAFTA)

- Reciprocal
- Tariff reduction
- Sensitive list
- Rules of origin
- NTBs
- Mechanism of compensation

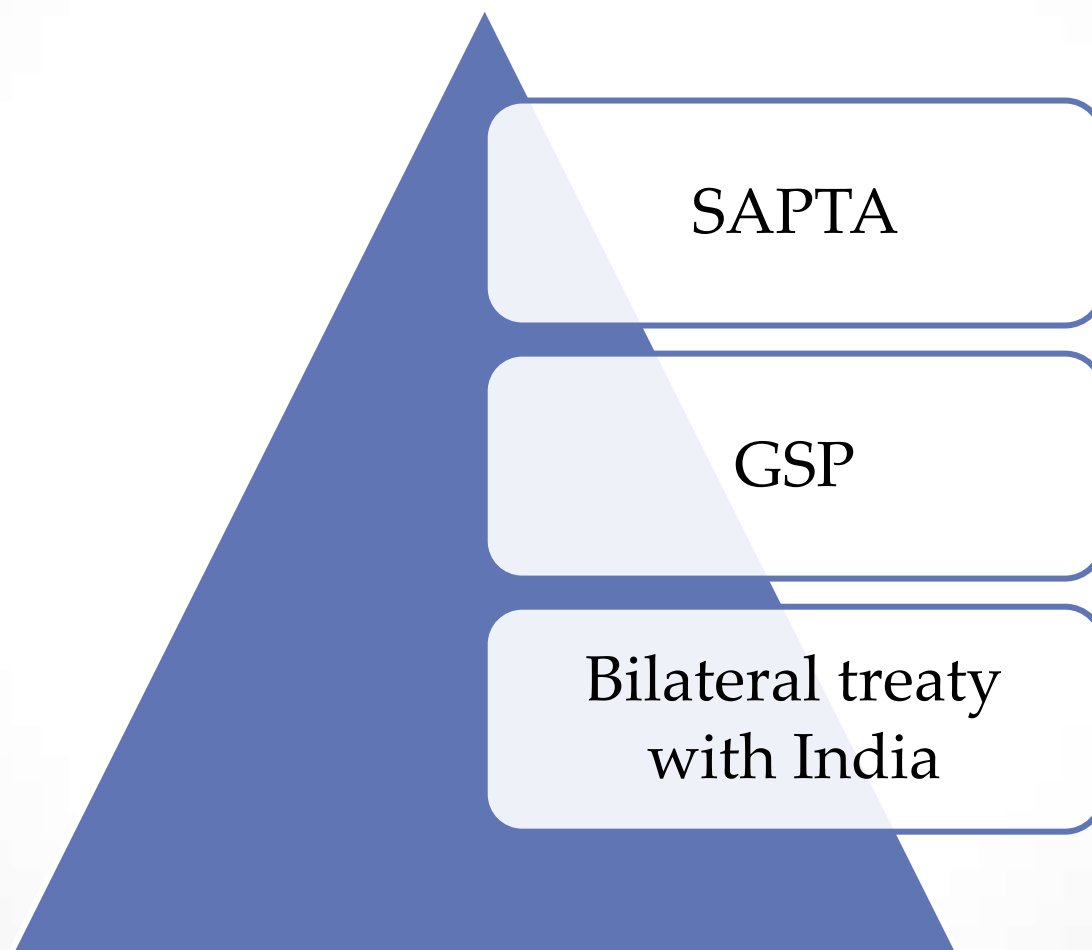
## Bilateral (India)

- Reciprocal on agriculture
- Non-reciprocal on industrial products

# Quad country privilege: Diverse and disguised

Quad country	Scheme	Coverage	Features
<ul style="list-style-type: none"> <li>• CANADA</li> </ul>	<ul style="list-style-type: none"> <li>• Improved Market Access for LDCs – 2003</li> </ul>	<ul style="list-style-type: none"> <li>• All products except selected poultry items</li> </ul>	<ul style="list-style-type: none"> <li>• Duty and quota free, improved ROO, cumulative system (all beneficiaries)</li> </ul>
<ul style="list-style-type: none"> <li>• EU</li> </ul>	<ul style="list-style-type: none"> <li>• EBA – 2000</li> </ul>	<ul style="list-style-type: none"> <li>• All products (gradual reduction in banana, rice &amp; sugar)</li> </ul>	<ul style="list-style-type: none"> <li>• Duty free, quota free, unlimited period of time, certainty of market access, relaxed ROO for T &amp; C</li> </ul>
<ul style="list-style-type: none"> <li>• JAPAN</li> </ul>	<ul style="list-style-type: none"> <li>• GSP revised scheme – 2003-2014</li> </ul>	<ul style="list-style-type: none"> <li>• All products (more industrial products included)</li> </ul>	<ul style="list-style-type: none"> <li>• Duty free entry, exception from ceiling restriction</li> </ul>
<ul style="list-style-type: none"> <li>• USA</li> </ul>	<ul style="list-style-type: none"> <li>• GSP LDC status</li> </ul>	<ul style="list-style-type: none"> <li>• Sensitive items included (textiles, and clothing)</li> </ul>	<ul style="list-style-type: none"> <li>• CNL, but exception to LDCs</li> </ul>

# Preferential market access share: In proportion

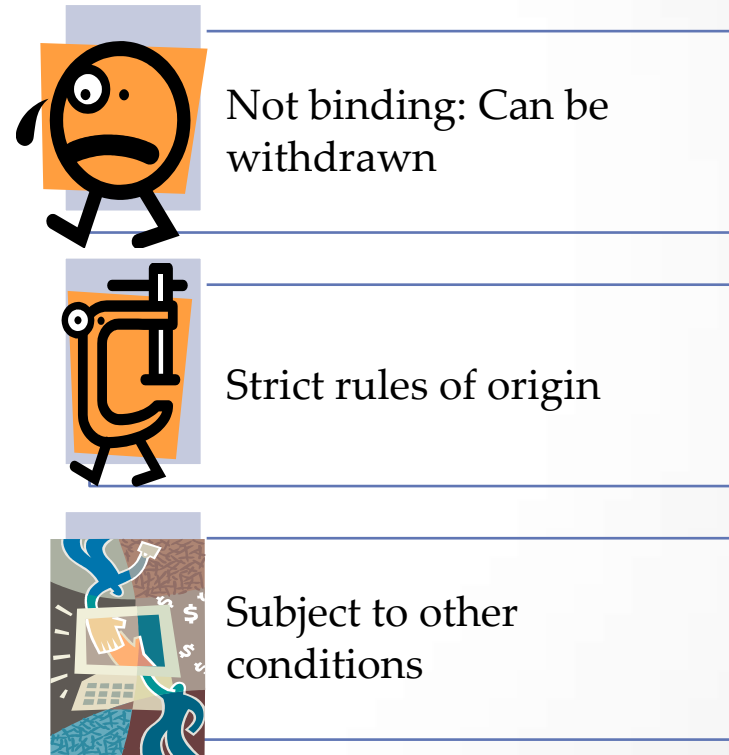


# Preferential Access: Boon or bane

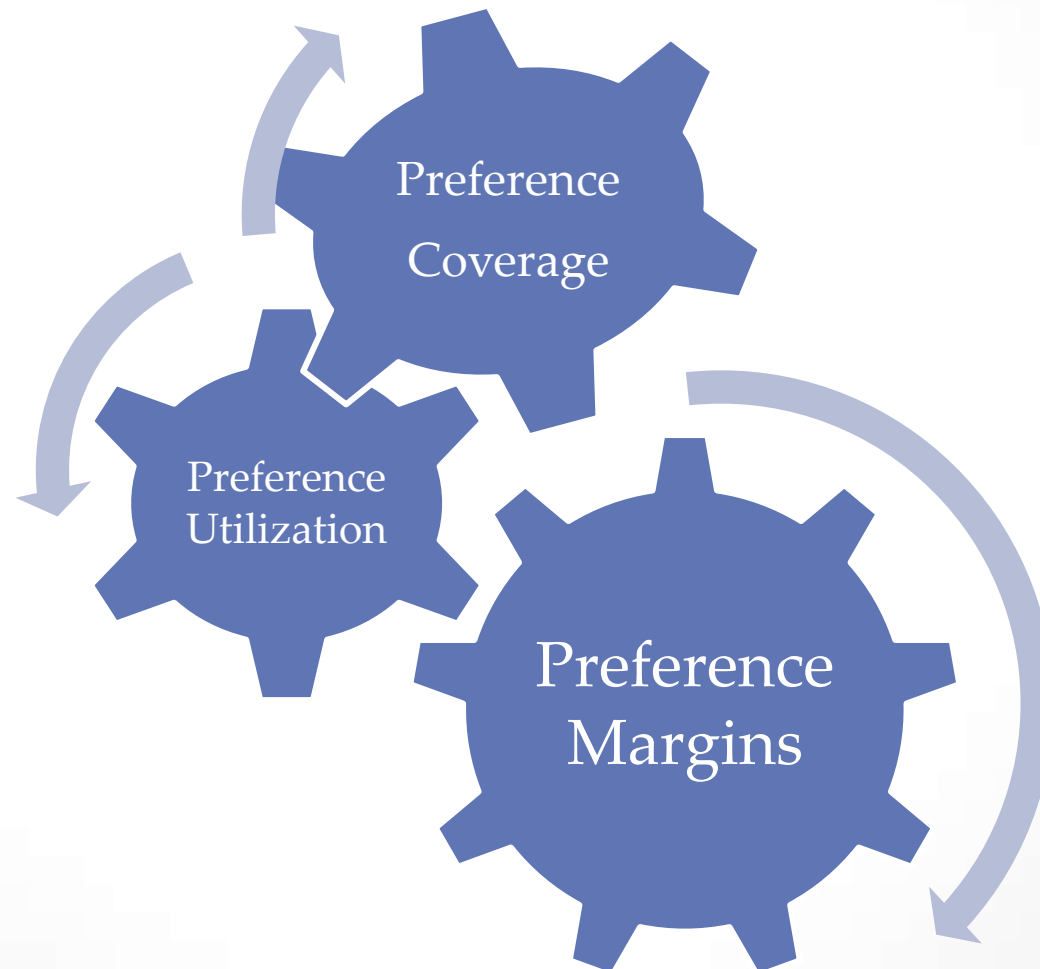
## Blessing in disguise



## Discretionary in application



# Determinants of preferential access: Lost in luster





## Preferential access benefits: Grabbing opportunities

- Extended coverage without discrimination
- Product diversification for maximum utilization
- Focus on existing high tariff items: Larger preference margins
- Increase the cake size: Specific market promotion strategy
- Market intelligence: Product, Price, Quality, Market Access, etc.

## Conclusion

- Binding commitment?
- Harmonized set of rules of origin, taking into consideration of industrial status
- Preference matters!
- Preference only means, but not end!
- Preferential market access vs Supply-side preference!

*Thank you!*