



WORLD TRADE
ORGANIZATION



WTO
CHAIRS
PROGRAMME



Kathmandu University
School of Management

Launching Ceremony of WTO Chairs Programme - Nepal and Workshop on Trade and Food Security

17-18 October, 2022

Seminar Proceedings

WTO Chairs Programme - Nepal
Kathmandu University School of Management

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KATHMANDU
NEPAL

The Prime Minister

Message

It gives me immense pleasure to note that Kathmandu University School of Management (KU-SOM) has been selected as one of the seventeen universities across the globe out of some one hundred and twenty aspirants for the third phase of WTO Chairs Programme (WCP). As the Chancellor of the University, I would like to thank World Trade Organization (WTO) headquarters in Geneva for accepting Nepal as one of the important partners in this prestigious WCP platform that is specifically designed to help resolve the trade-related issues through academic, applied and policy-related research and publication.

I am delighted to know that formal launch event of the WCP-Nepal is taking place in Kathmandu on 17th and 18th of October 2022 amidst the presences of senior dignitaries including WTO Deputy Director General, His Excellency Dr. Xiangchen Zhang. Participation of the high-level delegation from the WTO headquarters led by Deputy Director General, is the proof of the immense importance accorded by the WTO towards enhancing Nepal's trade capacity in all possible areas including logistics, research and policy formulation.

Nepal acceded to the WTO in April 2004. Obtaining WTO membership was a matter of great pride as well as a good opportunity for a landlocked country Nepal to integrate its trade and economy into the global trading system. Ever since Nepal became the member of the WTO, Nepal as the least developed country, is entitled to enjoy different concessional provisions in conducting its international trade as enshrined in the WTO Agreements. Programmes such as Enhanced Integrated Framework (EIF), Trade-related Technical Assistance (TRTA), Generalized System of Preference (GSP) etc. are some of the key mechanisms put forward by the WTO to benefit the LDCs like ours to enhance their trade capacity. However, Nepal has yet to fully harness the benefit of the international trade by optimally utilizing various concessional, special and differential treatment provisions as embedded in the WTO Agreements.

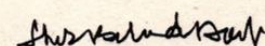
I am sure, the WCP-Nepal programme adds an important brick on ameliorating mainly supply-side constraints faced by Nepal in our international trade by making our trade and investment policy formulation more evidenced-based and realistic as well as compatible to international trading system. I am confident that participation of all key stakeholders including the government, academia, private sector and civil society in implementing the WCP and supporting the trade and investment policy formulation with both academic and applied research, will bring about desired results towards addressing alarmingly widening trade deficit of Nepal. I hope that WCP-Nepal will be a good partnership program between the WTO and Kathmandu University to enhance Nepal's trade capacity by undertaking various academic activities including research and outreach.

Despite my keen interest to participate in the WCP-Nepal launch event, due to my competing program schedule, I could not attend the program personally. Nevertheless, I would like to extend my best wishes for the grand success of the WCP-Nepal launch event and the Programme as a whole.

Lastly, I thank WTO, its high-level delegation members and Kathmandu University School of Management for their tireless efforts for successfully organizing this WCP-Nepal launch event in Kathmandu.

Thank You ! Jay Nepal !

16th October, 2022


Sher Bahadur Deuba

Hon'ble Dilendra Prasad Badu
Minister

Ministry of Industry, Commerce and Supplies



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Message from the Minister for Industry, Commerce and Supplies

I would like to heartily congratulate Kathmandu University School of Management (KU-SOM) for being selected as one of the seventeen universities across the globe in the third phase of WTO Chairs Programme (WCP) and sincerely thank World Trade Organization (WTO) for choosing Nepal as an important partners for future collaboration through Nepal's prestigious academic institution, the Kathmandu University.

It may be recalled that the Ministry of Industry, Commerce and Supplies right since the beginning of this selection process was very supportive to KU to enable to attain the WCP membership, and had facilitated in all possible ways in the process of application. The selection of KU is indeed a matter of pride for Nepal and I, as the minister concerned, would like to assure the Government of Nepal's full cooperation in implementing the WCP in Nepal and make full use of all pragmatic research outcomes expected from the Programme.

Despite my utmost will to physically participate in the official launch event of the WCP-Nepal, I could not manage it as I needed to be in my constituency in Darchula that lies in perhaps farthest distance from Kathmandu, owing to the upcoming parliamentary elections next month. However, I would like to take this opportunity to express my sincere commitment to support the Kathmandu University in implementing the WTO Chairs Programme in Nepal and also to make it beneficial for the entire nation.

Finally, I would also like to thank His Excellency Dr. Xiangchen Zhang, Deputy Director General of WTO, for traveling to Nepal to grace the WCP-Nepal launch event. I am confident that Nepal's relation with WTO attains new heights and becomes more beneficial for the least developed landlocked country like Nepal in the days to come.

Thank you.



Dilendra Prasad Badu

16th October, 2022

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Day 1- WCP Launch Program

1.1 Welcome Remarks -Prof. Dr. Achyut Wagle, Registrar, Kathmandu University

Very Good Afternoon and a Warm Welcome to you in this very rare and mesmerizingly beautiful weather in Kathmandu with the clear view of entire Himalayan range in scope.

Distinguished Chief Guest of today's event, Chief Secretary of Government of Nepal, His Excellency Mr Shankar Das Bairagi,

Respected Vice-Chancellor of Kathmandu University, Prof. Dr Bholu Thapa,

Deputy Director General of WTO and today's special distinguished guest speaker, His Excellency Dr Xiangchen Zhang and his team,

Vice-chancellors, Deans and Professors from different Universities,

Excellency Ambassadors and representatives from foreign diplomatic missions in Kathmandu,

Distinguished guests and speakers participating virtually from Geneva and other parts of the world, I know some of you have managed time to be here in wee hours in your time zone, Dr

Werner,

Secretaries and other high official from Government of Nepal,

Distinguished Advisory Committee Members of WCP-Nepal,

President of Federation of Nepalese Chamber of Commerce and Industry, Mr Shekhar Golchha and other representatives from the Private Sector,

Friends from media,

My Colleagues from Kathmandu University,

And all distinguished guests, invitees and volunteers,

Ladies and Gentlemen,

Very warm welcome and thank you for your valuable presence in this moment of pride for the nation, Kathmandu University and Kathmandu University School of Management (KUSOM). We are finally here, on the launch event of WTO Chairs Programme after relatively long wait while coordinating between Geneva and Kathmandu. We actually waited to find a right schedule for WTO DDG His Excellency Dr Zhang to travel to this part of the continent. Thank you Dr Zhang for making it now a reality. Coincidentally, this happened to take place during Nepal's highly charged election season. Despite this, Rt Honorable Prime Minister Sher Bahadur Deuba obliged us by sending very inspirational official message for the event and the Chief Secretary of Government of Nepal His Excellency Mr Shankar Bairagi kindly accepted

our request to be the Chief Guest. Auspicious presence of Vice-Chancellor of KU Prof. Bholu Thapa, FNCCI President Shekhar Golchha and Secretaries from PMO, the Ministry of Industry, Commerce and Supplies has demonstrated a true possibility of wider stakeholder participation while implementing the WCP-Nepal.

We highly value contribution from a constellation of expert speakers from Geneva. I would like to extend you a very warm welcome from Kathmandu.

As it is already shared, KUSOM is selected for WTO Chairs Programme-Nepal to be the part of network among seventeen universities in its third Phase. At KUSOM, we are committed to work to deliver the best in all three key pillars of activities envisaged by WCP for the next three years -- Curriculum Development and Teaching, Research and Capacity Building and Outreach.

The issue of trade is close to our heart as Nepal now has about 1:10 export import gap that needs to be bridged by a unified approach of all stakeholders and evidenced based policy planning. The research under WCP may contribute to formulate more pragmatic policies; and through appropriate curriculum and teaching, we expect to develop human resource with the required skill set to understand and manage both domestic and international trade.

The thematic workshop to be organized tomorrow as a part of this launch event focuses on Nepal's Trade Potentials and Bottlenecks and Nepal's Food Security Challenges with line-up of expert speakers from among policy-makers, practitioners and academia, from both home and abroad; the workshop is expected to come up with valuable inputs and plausible prescriptions for future.

We deeply value your presence and participation.

Thank you.

1.2 Welcome Remarks by Dr. Werner Zdouc, Director of the Knowledge Management Division, WTO Chairs Programme

Distinguished guest, ministers, professor, advisor board member and colleagues,

It is my pleasure to be addressing today. I am pleased to welcome Kathmandu University School of Management as a new participant of WTO Chair Program under the leadership of Prof. Devi Bedari, Prof. Achyut Wagle and Asst. Prof Srawan KC and their teams and advisory board in Nepal. Along with other universities, KUSOM forms a part of network of 36 chairs around the globe. With access of such a wide range of academics dealing with trade policy analysis, I believe the institute will be able to make scientifically well substantiated and diverse contribution to national policy making and to discussions at WTO through activities under three key pillars of program- research, curriculum development and outreach. New chair will also benefit from mutual learning through access to the chair's network, WCP academic advisory board and experts at WTO secretariat.

Professors Bedari and Wagle and their team prepared the plan of activities with a strong focus of developing not only in-house capacities at the university but also upscaling policy makers and stakeholders in capital, in the provinces of your country and sub-continent, for example, through the work of regional issues.

As a business school, KUSOM is well placed to plan workshops with policy makers, business associations and traders to help them develop practical and targeted approaches in future trade practices.

Besides that, I highlight the special workshop that is being planned for rural entrepreneurs and school teachers with the goal to disseminate tools for advance trade policy analysis. We also welcome support for in-house development of knowledge through encouragement of students' participation in trade related research project and international conferences. Strong emphasis is placed on equity and social justice in selecting topics and conducting research and outreach activities.

As a landlocked LDC and net food-importing country, it is key for the new chair to explore the ways to improve access to benefits of globalization for marginalized communities to search

for concrete solutions for its implementation especially as Nepal like other LDCs is actively engaged in LDC graduation debate.

This in my opinion well reflects the need of Nepal on a foundational level and will allow the country to build the stronger scientific foundation and expertise urgently needed to solve the issues of present and the future, starting with the current crisis in food security of supplies.

Ladies and gentlemen, the chairs' program has witnessed many successes over the past twelve years of existence. Very positive independent evaluation by external experts and feedback from beneficiary members and donors are testament to its prowess at creating long lasting and sustainable and successful partnerships.

Being a landlocked LDC at crossroads between two major economic and geopolitical powers, access to an international network of chairs is of particular importance to Nepal. I firmly believe that our new chair in Nepal, thanks to its multifaceted team in KUSOM, its advisory board and close into action with key government institution and the business community offer a strong foundation to the full potential to make a difference for a country, and to be well-integrated into partnership worldwide and especially with the chairs in regional proximity.

The program of the sessions following later today and tomorrow already show a very targeted and practical approach focusing on the topics that really matter to the country. Finally, as the WTO doesn't have regional offices, our chairs are the eyes and the ears of the WTO around the globe. And as our only chair in Asian LDC, I encourage you to be engaged in the network and reach out to delegations including the LDC group in Geneva, and secretariat and make your voice heard at the WTO and Geneva community and to seek any help you may need. The WCP team is very much looking forward to working closely with you on this endeavor. Many thanks and the best of luck with your journey as a part of the WTO chairs program.

1.3 Address by Her Excellency Felicity Volk, Ambassador of Australia to Nepal

Vice Chancellor Dr Bhola Thapa,
Deputy Director General of WTO, Dr Zhang,
Colleagues from the WTO, Kathmandu University and the business community,
Distinguished Guests,
Ladies and Gentlemen,

Namaskar and I am delighted to be joining the launch ceremony of the WTO's Chairs Program in Nepal. I begin by offering my congratulations, on behalf of Australia, to Kathmandu University on their selection to the Chairs Program. Across many sectors, Kathmandu University is demonstrating its leadership in higher education and its contribution to policy development, and I am pleased to see this has been recognized through the WTO Chairs program.

The Chairs Program has continued to thrive since its inception in 2010. Now in its third phase, the program has established itself within the fabric of the WTO system as a powerful tool to build capacity among policy communities in developing and least developed countries. I congratulate and acknowledge the WTO's Deputy Director-General ZHANG for his leadership and the work of his team led by Dr Werner Zdouc on the success of this program.

Through Australia's support and participation in the Program, we have encouraged the program's global reach and, particularly, its implementation in our region of the Indo-Pacific. So, we are delighted that this third phase includes Chairs from Southeast Asia, other countries in South Asia and now, importantly, Nepal.

For Australia, the WTO Chairs Program has a unique value proposition. Firstly, it builds trade policy understanding and capacity in the engine room of policy development within member countries, namely, the research and academic community. This community is comprised of researchers and knowledge experts, those who have both historical and contemporary perspectives that are essential to the evolution of good trade policy. But they are also the teachers – of the current and future generations of policy makers. So, at the heart of the program is its focus on systemic and long-term impact.

Second, the Chairs Program promotes connectedness. By bringing Chairs together from across the globe, the program is helping to bridge gaps on complex policy questions, promoting an exchange of perspectives between academia and government. The program creates a forum for Chairs to develop collective policy solutions for collective policy problems. When we're working with an international system, it is critical that we promote a common understanding of and engagement with, the system and that both challenges and solutions are collectively shared.

Finally, the Chairs Program fosters original, thoughtful policy analysis and research. At a time when the multilateral trading system matters so greatly, the trade policy thinking that Chairs bring to the debate can help us find new ways to reinvigorate and strengthen the multilateral system, as well as national and global trade policy making.

These are the global imperatives behind the Chairs program, but today we mark and celebrate a national milestone for Nepal.

I am thrilled that Kathmandu University has been selected as a Chair. Australia and Nepal are committed to the success of the multilateral system and are keen proponents of openness and trade to support development goals and to secure prosperity, lives and livelihoods.

Nepal makes a very important contribution to global trade policy. At the WTO, Nepal is a powerful voice on issues affecting developing and least-developed countries. Further, Nepal is a constructive partner for WTO Members working to strengthen and reinforce the system that underpins global economic and political security. I have no doubt that Kathmandu University's participation in this program will only strengthen Nepal's immense contribution.

Again, I congratulate the WTO Chairs Program and Kathmandu University, led by Vice Chancellor Thapa on this significant new initiative in Nepal.

Australia is a proud partner of these efforts and we look forward to following and supporting your research and contribution to the global trading system.

Dhanyabad.

1.4 Address by Prof. Desiree Van Gorp, Professor of International Business and Academic Advisory Board Member of WTO Chairs Programme, Geneva

Good afternoon on this very special day of the launching event of the WTO chair of your respective institute. I am Desiree Van Gorp, professor of international business at Nyenrode business university, Netherland and also a member of the academic advisory board of the WTO chairs program. I would have loved to join you in person today for this special event and I hope this opportunity occurs in the near future. But for now, I am happy to join you online for this important day, and to provide you with perspective from academic advisory board on the launch of your chair.

I have been associated with the WTO chair since 2013, almost ten years now involved in creating the cohort of academic researchers and practitioners working on multilateral trading system elements. And, WCP at its core is such an important element of a multilateral trading system. I think today is more important than ever how WTO can be future proof and support a multilateral trading system. Together with the WTO secretariat, the advisory board is here to support you at your work to implement your proposed agenda of curriculum development, research and outreach activity, being the three pillars of this WTO chair program.

And since the start of the program in 2009 we have now 36 chairs and they were selected in three different phases. And in the 3rd phase we had about 126 applicants of which we selected 17 chairs and one of them is your chair. And I want to congratulate you again on this incredible achievement of building such a strong program in which you were able to integrate sustainability throughout the activities of your program with special focus on youth, farmers and disadvantage group becoming entrepreneurs, I think this program mirrors so well the profile of your institution as research based and responsive institution to community. And this program is a very good reflection of that profile of yours. Now the role of the academic advisory board with its 14 board members representing different countries and different areas of expertise is really to work with you in progressive way to implement your program, roll it out, provide support in the effort, and build connections between not only chairs but also with other stakeholders. And in that effort, I am looking forward to interacting with you in the coming months. I wish you great launching event and I hope to see you soon.

1.5 His Excellency Mr. Jung Sung Park, Ambassador and Deputy Permanent Representative of the Republic of Korea

Let me start by offering my warm congratulations on the launching of the WTO chair at Kathmandu University School of Management. Nepal is an active contributor in the WTO based multilateral trading system. Despite its limited presence in Geneva, Nepal is a tireless champion of causes that are dear to LDCs and landlocked developing countries. Advancing agenda for smooth transition for graduating LDCs is but one example of Nepal's contribution. Choice of business school to award WTO chair is quite appropriate, because at the end of day businesses are the primary and direct beneficiaries of the WTO rule book. I understand, the chair will be focusing on the sustainability dimension of businesses and green financing issues. In my view these priorities are well chosen, making sure Nepali businesses are not only well integrated in the WTO global value chain but also connected in a sustainable way which is essential to their long-term adaptability in the global market. The theme of today's afternoon session is also related to one of the centerpieces of WTO's 12th ministerial conference. Ministerial conference adapted declarations on the emergency response to food and security. Paragraph nine of declaration highlights the importance of providing technical financial assistance to LDC and net food importing developing countries with view to improving their agricultural productive capacities.

More broadly speaking, the growing representation of LDCs in the WTO chair program is a welcome development. The chair in Nepal can help catalyze research on topics that have strong relevance for LDC as well as LLDCs. We therefore applaud the WTO decision to award chair to landlocked LDC in Asia. The in-person participation of Deputy Director General Zhang attests the importance attached to the launch of Nepal's chair and we thank him and his team for their tireless commitment. Korea is very pleased to play a small part in supporting the chair program as a donor country. Although our contribution for this year is modest, we will be scaling up our assistance to the chair program next year. This is because we believe in the vision and the potential impact of the program to help enhance long-term sustainability and viability of home-grown knowledge and expertise on the multilateral trading system. Let me conclude by extending my best wishes for the success of the WTO chair at Kathmandu University School of Management, and my sincere congratulation to the WTO secretariat for setting yet another significant milestone in the chairs' program. Thank you.

1.6 Hon. Ms. Cynthia Zimmerman, Director-General, Ministry for Labour and Economic Affairs in EU

Rt. Honorable Prime Minister Deuba,
Honorable Minister Dilendra Prasad Badu,
Deputy Director-General Zhang,
Excellencies, Distinguished guests, Ladies and Gentlemen,

It is my pleasure to address you today at this launch event of WTO chairs program, Nepal. Let me first say how excited I am about the expansion of the chairs program, particularly for its diversity in terms of participation. I congratulate the new chair with the entire team. As a key donor for this new phase of the WTO chair program I am very proud to support the capacity building and development program that bring significant benefits to developing and particularly least developed countries across all continents.

In order to truly and effectively participate in this work at multilateral level, it is crucial that developing and least developed country members have access to technical support and relevant analysis of the issues that have more interest to them. WTO and other international institutions can provide some of the supports. However, I am convinced nothing can replace tailored made expertise developed domestically at universities and research institutions in various WTO member countries. This holds true for Nepal too, which is experiencing its own set of challenges and opportunities in its effort to further its development through International trade. For example, given that agriculture represents an important share of Nepal's GDP and even larger share of its employment, I particularly welcome chairs intended for research and training activities in the field of agri-business.

In view of achieving LDC graduation by the end of 2026, effective trade policy will be instrumental in facilitating economic recovery from the shocks Nepal's economy has to overcome since earthquake 2015, throughout COVID 19 pandemic and increased food price and security prices triggered by Russia Ukraine war. I am confident that the chair and his team will be able to conduct research and training that is necessary to help devise such policies. So, through the chairs program, the WTO thus extends its reach of technical assistance by involving university chairs serving as a multiplier in beneficiary countries. Notably, the program is an integral part in building human and institutional capacities in beneficiary countries to take

advantage of rules based multilateral trading systems. The program's three pillars centered around research on trade policies and WTO related matters, curriculum development and outreach would definitely assist policymakers and the stakeholders through tailored advice.

As a representative of the donor country, I am proud to note that independent external evaluations have concluded that the program has greatly benefitted developing and LDC country members through the first two phases. Thus, the chairs program generates excellent long-term sustainability by capitalizing on academic specialization and increasing capacities of the host country over the course of the professional career of the chair's team at the selected universities. And, the network of the chairs established in the program so far also remains active by collectively bringing science based empirical perspectives from 36 countries, spread out among different regions in the world. So, this generates the synergies by allowing the chairs to better grasp the nuances of the WTO system. At the same time, it also allows WTO membership and WTO secretariat to draw on the applied research and suggestions from the chairs to complement and support their own work in Geneva. The program thus is a win-win network for all the stakeholders involved. It has so far proven to be highly effective in capacity building through WTO research, teaching, outreach, networking and policy advice to government and other policy makers. With this batch of new cohort, I have no doubt we will see greater collaboration among the chairs' network to yield fruitful research outcomes addressing national and regional trade dialogs, which will allow a way to support multilateral trading networks. Congratulations once again for your selection to the WTO chairs program and wish you all the best!

1.7 Dr. Xiangchen Zhang, Deputy Director General WTO

Excellencies, Ministers, Distinguished Guests, Ladies and Gentlemen,

It is my pleasure to join you today in Kathmandu for the launch of our WTO Chair.

I am delighted to be in the company of:

Her Excellency Ms Felicity Volk, Australian Ambassador to Nepal,

Mr Shekhar Golchha, President of the Federation of Nepalese Chambers of Commerce and Industry, and Vice Chancellor of Kathmandu University, Professor Dr Bhola Thapa.

I thank our Chair holders, Professor Devi Bedari and Professor Achyut Wagle, for the invitation and warm hospitality which I have received from your team since stepping foot into Nepali soil.

Let me first congratulate our Chairholders on your selection to the WTO Chairs Programme. One of the Programme's goals is to create a network of trade experts and enlarge knowledge frontiers on WTO related issues. The addition of Kathmandu University School of Management (KUSOM) to the global Chairs Network – which now comprises 36 Chairs – brings perspectives from a landlocked least developed country and enriches discussions here at the WTO on the building of an inclusive multilateral trading system.

Since its accession to the WTO in 2004, trade has been recognized by Nepal as an important factor towards achieving long-term inclusive and sustainable economic growth. Nonetheless, the challenges facing Nepal should not be understated. As an LLDC without direct access to key transportation routes, Nepal faces significant transit and transport costs for its exports to reach international markets and vice versa.

Food security is a further priority concern for the country. Agriculture represents over one quarter of Nepal's GDP and two thirds of employment. While Nepal's diverse topography allows it the potential to produce a wide variety of products, the country faces many challenges as an LLDC with inadequate infrastructure, small scale farming, low productivity and a high risk of natural disasters.

All these issues are further compounded by the poly-crisis afflicting the world we live in today, including the COVID-19 pandemic, the food and energy crises, and the environmental crisis of climate change.

As I mentioned at the launch of the WTO Chair in India just last Friday, the WTO follows a two-pronged approach to assist members in countering these challenges. First, it draws on special and differential treatment built into WTO agreements, and second, it seeks to build capacity in member countries.

The WTO Chairs Programme is one such key technical assistance programme by the WTO that seeks to build capacity through fostering knowledge and expertise in member countries.

With the support of our donors, in particular France, Austria, Korea and Australia, our Chairs have been successful in generating high quality and evidence-based research to support policy formulation and action by governments and other key stakeholders in beneficiary countries.

This global and multilayer Network of Chairs also allows for cross-fertilization of ideas, fostering greater knowledge generation, sharing and exchanges at home, in the region and across regions, for maximum impact at the multilateral forum.

In this spirit, I look forward to the panel discussions tomorrow which will engage on issues relating to Nepal's trade regime vis-à-vis the WTO, trade challenges for Nepal and fellow LLDCs, as well as on challenges to food security, particularly for net food importing developing countries. These are all issues which are crucial for the sustainability and growth of the Nepalese economy.

I am also glad to see that these sessions will draw on thinking and research by speakers from Nepal, India and Geneva, in order to reap the benefits of cross-fertilization of ideas through the Chairs Programme and its global Network.

Nepal is no stranger to cross-regional and multilateral cooperation. The country is an active member of the LDC Group at the WTO. As Nepal looks set to graduate from its LDC status by the end of 2026, trade remains key to helping graduated countries increase incomes, maintain growth and truly achieve sustainable graduation. The Chair in Nepal can thus play as important

role in providing intellectual support to the country, by embarking on research and activities that take a long-term view to Nepal's economic needs.

Colleagues, ladies and gentlemen, trade should be inclusive, sustainable and responsible. The WTO has achieved remarkable outcomes towards this end at its 12th Ministerial Conference held earlier this year, and continues to work with Members towards augmenting gaps and expanding on discussions in preparation for MC13.

Director-General Ngozi has called for Members' participation in retreats to work through existing issues and brainstorm new ideas to approach existing and emerging issues. We have just concluded a retreat on fisheries subsidies, and are looking forward to the upcoming Agriculture Retreat later this month.

It is in this same spirit that I welcome the series of initiatives, which the Chair in Nepal has planned for its activities this year. These initiatives include workshops that seek to incorporate human-centric design thinking concepts in the ideation of innovative policy tasks and tools, as well as training programmes that focus on MSMEs and access to green agriculture finance. The Nepalese Chair's focus on green innovation, climate finance and sustainable development tracks very well with ongoing initiatives on environmental sustainability that are taking place at the WTO. I am certainly looking forward to the fruits of their programmes which will go a long way to supporting a reinvigorated multilateral trading system.

My best wishes to the Chair in Nepal, and congratulations once again on your selection to the WTO Chairs Programme. Thank you.

1.8 Mr. Shekhar Golchha, President of Federation of Nepalese Chamber of Commerce and Industries

Thank you, chair of today's event, distinguished guest in the dais, friends from the media, Ladies and gentleman,

I would like to first congratulate KU for championing the WTO chairs program. It's been 18 years since Nepal has entered the WTO. We were quite excited that we are going to integrate into the global system of trade. But 18 years have passed and I think we need to take stock of the situation on where we have reached. Let's begin with the question- Has the WTO helped our economy and is Nepal really part of the international community? Just to share some figures ever since we entered WTO, our imports were 28% of GDP, we have now increased to 39% of GDP. Meanwhile exports which were just 11% of our GDP have now fallen to 5.2% of GDP. Total trade deficit has reached 1720 billion and trade deficit to GDP ratio is 35% now. In the last 18 years, imports have increased by 12 times whereas exports have increased by only 3 times. This clearly shows that we haven't been clearly able to integrate the way we visualized while entering WTO.

There are a couple of reasons for that and one of the major reasons is that the private sector of Nepal is not competitive enough. This is because the cost of doing business is relatively high. The last 18 years was a rollercoaster ride for Nepalese economy in general. During the period, we went through huge political changes, experienced poor labor relations, and declined productivity. On top of that we faced 18 hours of load shedding. In such circumstances we had to compete internationally with industries from neighboring countries.

Meanwhile our northern neighbor generously supports their industries by offering long-term loans, land subsidies, and interest rate reductions. South of the border story is again similar as they too support their domestic industry in similar fashion. For instance, in terms of agro, India subsidizes seeds, fertilizer, land and electricity. In addition, insurance is provided for free. In such circumstances the question arises - how do countries like Nepal compete? Although WTO allows Nepal to provide subsidy to domestic industries, still our country cannot afford it. Thus, it is time to introspect and find whether WTO really helped Nepal's economy.

Since our accession to WTO we take pride in being WTO compliant, all the while our powerful neighbors tweaked the WTO rule and created disadvantages to our industry. I feel it is time to reassess how WTO can help a country like ours with relatively high cost, land-locked-ness and going through a political transition. We should also assess the fact that despite being champions in compliance, why did WTO not step in when our neighboring country put an illegal blockade. As per Article Five, the GATT agreement provides transit rights to the LLDCs but we couldn't get any assistance during the blockade in 2015. This was a major disappointment for our private sector.

Thus it is time private sector, academia and government work together to identify bottlenecks and solve the problems associated with this. I believe this project will do research and conduct dialogue with stakeholders to get benefit from multilateral trading systems.

1.9 Dr. Bhola Thapa, Vice Chancellor, Kathmandu University

Distinguished Chief Guest of today's event, Chief Secretary of Government of Nepal, His Excellency Mr Shankar Das Bairagi,

Deputy Director General of WTO His Excellency Dr Xiangchen Zhang and his team,

Vice-chancellors, Deans and Professors from different academic institutions,

Excellencies and members of diplomatic community

Distinguished guests participating virtually on this event from Geneva and other parts of the world,

Secretaries and other high official from Government of Nepal,

President of Federation of Nepalese Chamber of Commerce and Industry, Mr Shekhar Golchha and other representatives from the Private Sector,

Friends from media, and

My Colleagues from Kathmandu University

Ladies and Gentlemen,

On behalf of Kathmandu University and on my own behalf, I would like to sincerely thank you all for your valuable presence. My gratitude to the Chief Guest, Mr Bairagi; and Dr Zhang in particular, who traveled all the way from Geneva for this launch event of WTO Chairs Programme - Nepal. Your Excellencies, it adds a lot of value to our efforts to successful implementation of the Programme by involving all key stakeholders at the highest possible

level. A lot of dimensions of WTO, WCP and Nepal's scenario of trade balance have already been covered. Let me therefore only delve on three key points here:

First, selection of Kathmandu University School of Management (KUSOM) as the member of WTO Chairs Programme through a rigorous evaluation process is indeed a proud moment for the University and, for Nepal as a whole. We greatly value this partnership and are committed to make this programme an exemplary success with the support and cooperation from all key stakeholders - the government, academia and civil society, in all three key themes envisaged by the WCP, namely enhancing the academic excellence, research and outreach.

Second, Kathmandu University has established itself as the leading institution in quality higher education and research. About 13 percent graduates are international students. And, we are keen to expand and consolidate our international presence through meaningful engagements with international organizations, academic and research institutions. We have made special provisions to facilitate and support international students, faculties and researchers to join Kathmandu University for studies, teaching and research. I honestly feel that KU's partnership with WTO through this Chairs Programme significantly helps to contribute towards achieving these objectives.

Third, excellence in academic and applied research both in science and in social science is what has branded Kathmandu University as the best University of the country. We are now dedicating a significant portion of our efforts to make our research endeavors more contextual, credible and usable for the industry and society alike. For example, KU now has the first green hydrogen lab and first policy lab among many other firsts in the country. I am sure, the proposed Trade Centre under the WCP - Nepal programme will contribute in related research that in turn can contribute to evidence-based planning and policy formulation in the area. Our ecosystem of research across different schools and academic disciplines of the University will certainly work synergistically to make that end met.

Finally, I wish for a very successful implementation of the WCP - Nepal programme and assure all necessary support from the KU leadership for the cause. I also would like to thank you all, once again, for your valuable time and patience and wish for a pleasant stay in Kathmandu to our foreign dignitaries.

Thank you.

1.10 Mr. Shanker Das Bairagi, Chief Guest, Chief Secretary, Government of Nepal

WTO Deputy Director General Xiangchen Zhang,
Excellencies,
The Vice Chancellor of Kathmandu University,
Secretaries of the Government of Nepal,
Registrar of Kathmandu University,
Dean of KU School of Management,
Other friends from WTO secretariat,
Representatives of the Private Sectors,
Academia, researchers, scholars,
Distinguished guests,
Ladies and gentlemen

It is my privilege to participate in this event to launch the WTO Chairs Programme for Nepal.
Thank you, Kathmandu University for the invite.

As I understand, the Chairs Programme is a unique initiative by the World Trade Organization (WTO) aimed at mainstreaming issues and dynamism of trade and international trade law into the academic programmes, activities and researches in developing countries.

This, no doubt, helps countries learn to maneuver in the complex terrain of world trade. The Programme is for building connections between the idea generating domain of academics and the practical world of international trade and its norm setting. An alliance for a good cause! Ultimately, the programme contributes to getting more trade researchers, experts and negotiators, and enhancing trade related knowledge-base in developing countries. WTO's support in development and implementation of trade related academic courses, thereby familiarizing issues of international trade in classroom setting, is crucial for capacity building of countries like ours.

I must, therefore, congratulate Kathmandu University School of Management for being selected to join the network of the Chairs Programme and thank the Programme for its thoughtful consideration in selecting Kathmandu University. Without your credential and reputation, it would not have been possible.

Needless to say, in its 30 years of education service to the country, Kathmandu University has earned a distinct repute as Nepal's premier institution of higher education. I am glad to see that the University has made a commitment for quality, innovation, impact and global engagement in its Vision 2030. I believe the Chairs Programme will provide the University an important network and platform of engagement to enrich its academic and research initiatives. All the best in your future endeavours.

Distinguished participants, Nepal joined the World Trade Organization in 2004 as its 147th member. We were the first least developed country to join the Organization through the rigorous process of accession. This was well-thought, well-intended and well-considered decision of Nepal to be a part of the huge multilateral trading system represented by WTO. We considered that by mainstreaming ourselves in larger international trading system, we stand the chance of diversifying markets for our products, being secured of stable trade and transit rules and arrangements, benefitting from various trade related support measures of WTO for the least developed countries. More importantly, we considered that it was not in our long-term interest to remain in isolation. Nepal has been a responsible member of the international community and we have always nurtured internationalist perspective in our world view.

Talking about trade performances of Nepal, we have seen, over the years, some gaps between our expectation and what turned out to be the reality. Compared to the 1990s, share of trade, particularly export trade in our GDP has shrunk; our import bill has exponentially increased and there is no sign that the situation would be better at least in the short and medium term perspectives. This has resulted in a worrying magnitude of trade deficit which at present stands at whopping 1:13.

The soaring trade deficit has remained one of the major challenges in present day Nepal. To recuperate the export, the terms of trade need be to be eased for countries like Nepal, where WTO can play a major interlocutor's role. Apart from providing a platform for a ruled based trade, support through technical assistances, and building knowledge, capacity and knowhow from WTO to advance trade competitiveness is equally critical.

Private sector's role is equally important in enhancing the international trade. Improving trade logistics, unlocking the supply side constraints and providing market accessibility will be

immensely critical for private sector to be competitive. Presently, the cost of doing business in countries like Nepal has been one of the major bottlenecks. The external conditions such as the current war between Russia and Ukraine, the surge in fuel and commodity price in addition to the freight and logistics cost have further exacerbated the private sector's capacity to being competitive. A due role from WTO is thus very important at this critical juncture.

There is also no doubt that a major function of WTO, through the system of trade rules and enabling measures, is to help its members, particularly developing ones, use trade as a means of raising living standards of their people. The organization has done a lot in making the international trading system predictable, stable, transparent, rule based, more open and less stringent. It has provided a forum for negotiating and developing norms as well as for settlement of international trade disputes. A number of countries have benefitted from the platform of trade that WTO has generated and have been able to achieve incredible transformation in their socio-economic stature through global trade. Yet, not all have benefited.

From these scenarios we infer that a country's trade is the function of both market access and the capacity. WTO opened up the avenues to the world market. The countries that had capacity to trade did well; those who did not adequately focus on productive capacity lagged behind.

Not all Members of WTO are equally competent trading nations. Some have the edge and advantage while others do face the structural constraints of various kinds. Therefore, for the international trading system to succeed and for this to be able to contribute to the achievement of sustainable development goals, there has to be some sort of level playing field for poorer countries.

The agendas of Doha Development Round were defined in this context. Although, down the years, these agendas could not make headway as anticipated, the reasons that caused the drive of these agendas are still there. Countries like Nepal still hope that the architecture of international trade rules would be more fair and the environment more enabling; the special and differential treatments envisaged for the LDCs become more operational and such treatments continue to be provided in the transition period for graduating LDCs.

Despite the uncertainties of the world geopolitics (and by implications, uncertainties of economic situation), the recently held 12th Ministerial Meeting of WTO demonstrated that WTO can still deliver important outcomes in multilateral trading system.

The 'Geneva Package' does have positive and encouraging elements including the Declarations and Decisions on WTO response to Covid 19 pandemic and future preparedness, on TRIPS waiver concerning compulsory licenses to produce Covid-19 vaccines, on the emergency response to food insecurity and on exempting World Food Programme's humanitarian food purchases from export prohibitions or restrictions.

These outcomes are crucial in ensuring availability of medical supplies and vaccines during future pandemics and in reducing the constraints of access to food. These are two pressing problems the poorer part of the world is facing and is likely to face in future.

All this leads to the argument that the rule-based multilateral trading system represented by WTO is still relevant and has the competence to deliver on issues of concern for humanity at large.

We must make sure that WTO would continue to function and would work more robustly to make the international trading system fairer and more enabling for the less resourceful countries, where productive capacity is still a major issue.

With this, I would like to conclude. I wish to thank you once again and wish for the success of this launching programme.

Thank you.

1.11 Closing Remarks by Prof. Devi Bedari, Dean and Chair of WCP Nepal, Kathmandu University School of Management

Prof. Bedari, the Dean of Kathmandu University of Management, addressed the delegates, guests and participants and thanked them for their presence in the launch programme.

He underscored Nepal's trade challenges and emphasized the strategic prospect the WTO Chair Programme has offered KU and its School of Management. He stated that this responsibility has opened unthinkable role for the School in advancing research, education and capacity building in the area of trade. He also appreciated the opportunity KUSOM received through WCP for linkage to eminent personalities around the world in academia and government, and reckoned that the next four years will be crucial to KUSOM for promoting trade related applied research and capacity building, and in achieving the sustainability mandate given by the WCP. He expressed gratitude to Dr. Xianchen Zhang for making the launch eventful by his gracious presence, and the WCP team led by Dr. Werner Zdouc for their untiring support to KUSOM's team during the last few months. He also appreciated the support of donor countries, Australia, South Korea, Austria, EU and others, and thanked their representatives, Ambassador Ms Felicity Volk from Australia, Ambassador Mr Jung Sung Park from Korea, Hon. Director-General of Ministry of Labour in EU, Ms Cynthia Zimmerman from Austria for WCP initiative, agenda setting, and encouraging KUSOM. He also thanked Advisory Board Members and Prof. Desiree Van Gorp for her address and guidance regarding the important agendas to work on. Further, he expressed gratefulness to the Vice- Chancellor, Prof. Bhola Thapa and the Registrar, Prof. Achyut Wagle for being integral part of the project, and their expression of full support and encouragement to the WCP project at KUSOM.

He also acknowledged the presence of Hon. Chief Secretary of Government of Nepal, Mr Shankar Das Bairagi as an honor, and thanked him for sharing insights on trade issues facing Nepal. He expressed pleasure in having industry leader, Mr Shekhar Golchha in the event, and for imparting a list of trade issues as research agendas for KUSOM.

On behalf of KUSOM, he conveyed gratitude to all the distinguished guests and participants for their presence both in person or online. He also thanked Rt. Honorable Prime Minister Sher Bahadur Deuba and Honorable Minister Dilendra Prasad Badu for their message and encouragement.

WTO Proceedings - Day 2

2.1 Welcome Remarks - Prof. Dr Achyut Wagle, Registrar, Kathmandu University

Prof. Wagle, in his welcome remarks, greeted and welcomed the delegates from World Trade Organizations (WTO) and other guests from different organizations. He also acknowledged the presence of participants from Nepal government, NGO/INGOs, media, business sectors and academia.

Providing a brief introduction to the WTO Chairs Programme (WCP) in Nepal, he highlighted on how the initiatives were taken in close consultation with WTO, Geneva. He thanked the organization for its immense support throughout the design and development of the programme.

Prof. Wagle pointed out that trade related problems Nepal is facing today can be attributed to the gaps in existing policies due to the lack of scientific evidence and proper data. He suggested that it is vital to identify these gaps as Nepal is a landlocked country with a significant trade imbalance. He also emphasized the importance of research especially in the areas of tariff and non-tariff barriers, food security and the detrimental effect of climate change. He further stressed the importance of collaboration among the stakeholders in developing future policies that are supported by research and data.

He highlighted two main objectives of the seminar:

- To trigger meaningful discussions for future policy-making;
- To blend the viewpoints of policymakers, academicians and practitioners on the problems and solutions and initiate an alliance to cover more research-based areas.

Concluding his remarks, he thanked Dr Zhang, for gracing the event with his presence and welcomed everyone to the seminar.

2.2 Opening Remarks - Dr Xiangchen Zhang

Dr Zhang acknowledged the launching of WCP in Nepal and introduced WCP as a global network of academic institutions from 164 countries around the world. He congratulated Kathmandu University for being selected as one of the members and noted the significance of Nepal being the only LDC to be chosen into the esteemed group.

Dr Zhang underscored the WTO's engagement in tackling the global trade difficulties the WCP's efforts to improve academics' and policymakers' understanding of the multilateral trading system in developing nations. He further acknowledged the importance of WCP in capacity-building among government policymakers and other stakeholders.

Dr Zhang finally mentioned that since the WTO does not have a dedicated office, the WCP itself serves as representative and further provides a platform to carry out interaction and research on relevant topics to enhance trade and achieve sustainable development goals. He thanked everyone for their presence.

Session 1: WTO and Nepal Trade Regime (Moderated by: Mr Chandra Kumar Ghimire)

1.1 Presentation on “Nepal’s External Sector Performance and the WTO Membership”

- Gunakar Bhatta, PhD

The presentation primarily addressed Nepal's trade condition and the advantages gained by the country since its membership in the WTO. Along with a description of the Nepal Trade Integration System (NTIS) and a discussion of the trade barriers that the nation faced, Dr Bhatta provided recommendations to overcome these bottlenecks. The presentation provided a number of figures that illustrated how trade has changed over time and focused mostly on the diminishing exports and growing trade deficits.

The presentation expressed concern on GDP to Export Ratio, which increased up to 10% during the mid-90s, but has been declining ever since. Further, it was also pointed out that the Import – GDP Ratio increased to 34.1% during the period of 2014/15- 2021/22. As a result, the trade deficit has largely widened and thus Nepal is again facing the Balance of Payment (BoP) problem that it faced 40 years ago.

Contrasting the macroeconomic factors before and after joining the WTO, Dr Bhatta stated that the inflation rate was 9% earlier; it is now somewhere around 7.26%. In the meantime, the per capita income (PCI) has also increased. With these figures, it was concluded that the cost of living actually reduced, followed by an increase in income after Nepal joined WTO. Major driving forces behind such change were thought to be great moderation, remittance inflow and population growth.

The primary trade impediments identified by the WTO were then enumerated in the presentation; they included "Inefficient Border Infrastructure," "Lack of Digitalization and ICT equipment," and "Multiple Clearances and Declarations at Customs." Health and safety majors were also said to have emerged as an additional barrier to trade in the wake of COVID19. Major blockades that India enforced after the 2015 earthquake were also mentioned, along with their impact on Nepali lives.

The presentation finally posed questions for future discussion on the ways Nepal could benefit from WTO membership through policy formulation and implementation. In order to reap the

rewards of membership in the future, it was also advised that trade-related infrastructure be enhanced along with streamlining Sanitary and Phytosanitary (SPS) and digitizing commerce.

Please visit this hyperlink to find the presentation slide [here](#).

Panel Discussion: Trade Challenges for a Landlocked LDC: A Case for Nepal

Discussants: Mr Gokarna Raj Awasthi
Mr Vidur Ghimire

Moderator: Mr Chandra Kumar Ghimire

The panel discussion began with a query – whether the objectives established during WTO accession process have been attained and if it had been advantageous to Nepal. It was highlighted that there has definitely been some improvement in the Nepalese economy following WTO membership. However, it was also pointed out that a lot has been missed. For instance, despite one of the agreements guaranteeing multilateral trade for the least developed nations, it has not improved considerably thus far. It was assessed that the least developed nations continue to face tariffs and non-tariff barriers resulting in under-par gains in trade.

Noting that Nepal is in its second phase of graduation from an LDC, the change is argued to have considerable impact in the future of trade. Nepal's commerce with India has expanded in recent years from 64% to 81%; yet, the country has not been able to expand its trade with other nations. Consequently, Nepal has not been able to benefit from the potential gains of multilateral trade. It was further highlighted that since the introduction of Nepal Trade Integration System (NTIS), trade of products like cardamom has improved at regional and global level. Therefore, it was suggested that similar products that could scale up in international value chain be identified in order to address the current trade gap.

Towards the end, statistics related to the role of women micro-entrepreneurs and the informal sector in improving trade were also discussed. The possibility of gender parity in commerce was raised as a potential export trade booster. Meanwhile, issues with the supply chain and a lack of market linkage were mentioned as major obstacles hindering agro-industry from reaching full trade potential.

1.2 Presentation on “How can Nepal Balance its Trade with its largest trade partner?” - Dr Toya Narayan Gyawali; Secretary MoICS, Nepal

The presentation concentrated on Nepal's overall trade balance with its trading partners and the strategy it may take to either balance or narrow the trade imbalance. Especially, the fact that the current trade deficit of 1720 Billion NPR which happens to be greater than the annual budget of Nepal was emphasized as the pressing concern. The presentation further looked at the ways to improve the long-term effectiveness of interventions pertaining to correct in balance of trade at the planning and policy levels.

Discussing further the landscape of agricultural trade, the presentation identified rice, soyabean, crude palm oil and maize as major commodities for export. The import of maize, a main dietary food for Nepali living in the hills, from distant nations, such as Argentina, despite Nepal having favorable climatic condition for its harvest, was pointed as irony. Such scenario was described as a dire condition prevailing in agriculture production and trade. In addition, the presentation expressed the need for carrying out causal research to identify whether the high import is the result of costs, quality or some other variables like branding and packaging. From the theoretical perspective, the presentation also questioned the limited judgment of current policy makers in adopting only three trade theories among available nine in drafting the trade policies.

Using the relevant data, the presentation offered a gloomy picture of Nepal's inability in implementing various “trade and transit” related conventions and agreements, such as Trade Facilitation Agreement, General Agreement on Tariffs and Trade (GATT) and Vienna Program of Action. Nepal being ranked 136 in the Global Access Index was argued to show its lack of better market access at implementation level. Further, the five commodities among those identified as having export potential still exhibiting negative export growth rate was stated to indicate the shortcoming of NTIS 2016, which was expected to address the overall trade deficit. The presentation attributed most of these failures to the unique conditions faced by Nepal, *i.e.*, being a Landlocked Least Developed Country.

Despite these limitations, the presentation enumerated several products and services that have high potential for future exports. These included agro-products such as large cardamom, honey, ginger, instant noodles, tea, lentils, medicinal herbs and essential oils have lately shown export

promise. In addition, craft and industrial goods including handmade paper and paper products, wool products, iron and steel, pashmina and silver jewelry were named as some products that Nepal can have better trade advantage. Similarly, services sectors such as engineering, IT and BPO, education, hydro-electricity and tourism were pointed as the sectors having potential to improve the balance of trade situation.

The presentation concluded with some recommendations for the betterment of trade such as careful analysis of current policies, development of investment and trade-related infrastructure and ecosystem, stimulation of research and development in trade and investment along with the effective implementation of regional and bilateral trade agreements. It was further mentioned that implementation of new concepts like industry 4.0 would help along with an increased focus on trade diplomacy and intelligence, capacity building of Micro Small and Medium Enterprises (MSME)s, and establishment of international standards such as accreditations, Memorandum of Understanding (MoU), Mutual Recognition Agreement (MRA) and other related protocols. The presentation ended with the mention of 3I approach namely - Innovation, Investment and Infrastructure - which advocates prioritization of innovative products over traditional goods and increased investment on infrastructure pertaining to hard and soft skills that enhance connectivity to the region and the globe.

Please visit this hyperlink to find the presentation slide [here](#).

Panel Discussion: How can Nepal Balance its Trade with its largest trade partner?

Discussants: Mr Ashok Tamani,
Ms Moushumi Shrestha

Moderator: Mr Chandra Kumar Ghimire

The panel discussion opened with concerns on the ways to balance Nepal's trade with its largest trade partner - India. It was pointed out that despite several rounds of negotiations in the last 20 years in improving trade issues with India, the proper solution has still remained elusive.

Hydroelectricity was mentioned as the foremost sector with a potential comparative advantage in future commerce with India. The present reality, however, was described as pessimistic: despite Nepal's ability of generating 84000 MW of electricity, it has actualized just 3% of its

potential. It was emphasized that Nepal's effort to increase its hydroelectricity production to 20000 MW would possibly bring down the trade deficit with India to zero.

Tourism industry was considered as the second potential sector where Nepal can level its trade gap with India. Nepal's open border with India was described to have an added advantage in bringing large numbers of Indian tourists. During the discussion it was advised that Nepal improve its overall service quality to ensure increased tourist footfall into the country.

The discussion then turned to the irony that Nepal, despite being an agricultural country, is currently importing large quantities of rice from countries like Japan. Nepal was suggested to adopt improved farming to reduce its dependency on rice and export the surplus product to India where the demand is high. Besides that, the products such as tea, coffee, ginger, paper, pashmina, lentils, herbs and essential oils were also mentioned as having a potential market in India. The discussion also touched upon the ways of making Special Economic Zones in the country more appealing to the industry to ensure better exports in future.

The possibility of Nepal to serve as a trade transit between the two large economies- China and India was also discussed. It was recognized that the current high logistical costs were significant barrier against this prospect. Meanwhile, poultry farming was mentioned as a sector where Nepal has become self-reliant. Pointing to the flip side, *i.e.*, 87% of maize being imported, it was advised that Nepal should focus more on corn production to make the industry self-sufficient. It was recommended that Rampur hybrid maize which is compatible with Nepal's climate and soil be promoted to ensure self-sustainability.

Towards the end of the discussion the necessity of export diversification was brought up. It was noted that Nepal has been able to diversify its import and thus improve overall quality of life especially in urban areas; yet, it has been so far unable to diversify its export resulting in large trade deficit. Particularly, with the recent fall in global demand for luxury items such as carpets, it was advised that Nepal realign its export towards more essential items like food.

1.3 Presentation on Trade Challenges for a Landlocked LDC: A Case for Nepal - Raúl Torres, Head of Development Policy, Development Division, WTO

The presentation focused on the prevailing trade situation faced by LLDCs in WTO with a special attention to Nepal. It also provided ways to reduce trade costs, highlighted the importance of investing in trade capacity, and recommended ways for publication from the LLDCs.

In spite of being one of the newest members of the LDC group, Nepal was noted to have been the most active nation among the 32 LLDCs, 17 LDCs, 25 Members, and 7 Observers, . Nepal's tariff rates were described as higher than those in other LLDCs and LDCs. Owing to the same, Nepal's trade expenses were assessed to be comparatively higher than those of other developing nations.

The presentation further discussed the ways to reduce overall trade costs with the focus on implementation of Trade Facilitation Agreement (TFA). Concern were raised regarding the delays in implementing the TFA commitments; it was stated that half the commitments are to be implemented by 2032 wherein about 20% of the commitments are due by the end of 2023. It was however stated that Nepal still has some time for implementation.

Another concern, *i.e.*, the remittance industry was brought up during the presentation. The fact that remittance money is not being appropriately invested, despite remittances being four times higher than ODA (Official Development Assistance), was described as a serious issue. It was suggested that such income be used to expand trading capacities in the producing sector. Additionally, the presentation included the data from 2020, which demonstrated that Aid for Trade (AFT) has increased and that the majority of it is directed into agricultural, transportation and energy sectors. It was also mentioned that the World Bank has been the key donor and that increasing productive capacity is the main goal.

The presentation also provided few recommendations for policymakers. These included promoting transparency and enhancing TFA implementation along with accelerating priorities on the import and export documentation and border cooperation. This could be achieved by enhancing export and import implementation with the innovative customs processes through

digital systems interconnection to cover the whole transport chain. Meanwhile, developing transit corridors and working on targeted AFTs was also emphasized.

Developing Sanitary and Phytosanitary (SPS) standards that apply to goods in transit only when they present a risk was also suggested. For this and other purposes, the presentation advocated increased assistance to the LLDCs. Prioritizing connectivity and digital technologies for LLDCs could also help develop industries and enhance services that are less affected by the lack of sea access. The presentation concluded with the outcomes of the Twelfth ministerial conference, which included agreement on fisheries subsidies, electronic commerce, WFP purchases and TRIP vaccines. It also touched upon the ministerial declarations in response to the pandemic, food insecurity and SPS.

Please visit this hyperlink to find the presentation slide [here](#).

Panel Discussion: Trade Challenges for a Landlocked LDC: A Case for Nepal

Discussants: Mr Chandra Dev Bhatta,
Dr Mona Shrestha – (Participated virtually),
Dr Ram Kumar Phuyal

Moderator: Mr Chandra Kumar Ghimire

The panel discussion foregrounded the question, whether the bilateral and multilateral agreements signed by the countries have served their purposes. In particular, the effect of blockade imposed by India despite Nepal being a WTO member was raised. It was recommended that the WTO should address such problems if they recur in the future.

Noting that the global economy has now become fairly independent, it was argued that the global rules and policies that work for developed and other developing economies like China do not necessarily apply to countries like Nepal. It was pointed out that the existing rules and policies are mostly designed to cater to a revenue-based economy and thus are inadequate to boost export. In order to bridge this gulf, it was suggested that work be carried out in three layers, namely capacity building for stronger negotiations at the global level, maintaining regional-level partnerships by joining agreements like the Regional Comprehensive Economic Partnership (RCEP), and developing a clear understanding of the type of economy any

particular nation aims to become at the national level. Additionally, it was advised that all planning in the future be done by using human-centric approach, wherein women will be included extensively.

The panel discussion also suggested to shift the focus towards reducing the trade cost. Paperless trade as one of the measures was stated to have an estimated 80% reduction in both time and money, and would be beneficial for lots of stakeholders including SMEs. In addition, leveling the playing field in trade by empowering poor nations like Nepal in negotiation tables was suggested to make trade more fair and equitable.

The other area that was pointed for consideration was the economies that underwent transitions. Economies that went from small economies to medium to large-scale economies needed to be considered for policy formulation. These also included countries that graduated from the informal to the formal economy.

Session 2: Food Security and Nepal (Moderated by: Prof. Dr Mahesh Baskota)

2.1 Presentation: Nepal's WTO Membership and its Implication on Food Security (Prof. Dr Punya Prasad Regmi, Vice-Chancellor, Agriculture and Forestry University Rampur, Chitwan, Nepal)

The presentation commenced with the WTO's founding principles, which includes helping developing nations integrate into the trade system. The principle mainly helps in ensuring growth and stability of trade in these countries and in resolving trade disputes. It was highlighted that rules and agreements created under the WTO have contributed to those objectives. The presentation then discussed the impact of Nepal's WTO membership on the agricultural sector and food security.

Spelling out the fact that the agricultural sector of Nepal is characterized mostly by traditional and smaller farming practices, the presentation emphasized the need for climate-resilient smart and sustainable agriculture development. Especially, the effects of waning agricultural production rates, rising population pressure and declining soil quality on the availability of food were presented as major concerns. This understanding was backed by a UN report, which claimed 39 of 77 districts in Nepal to be food deficient, and having serious constraints to the accessibility of food in many mountain districts. Additionally, the presentation revealed concerning statistics showing 23% of Nepal's population undernourished and 40% of people consuming fewer calories than they should, and thus highlighted the urgency of improving agricultural policies and practices nationwide.

The presentation also highlighted additional challenges, including those that were natural, like erodible sloppy terrains; technical, such as irrigation, fertilizer, seed, tools and implementation; structural and institutional, like the size and fragmentation of landholdings, administrative and bureaucratic hurdles; socio-cultural, such as the farmers' conservative outlook; and economic, like the lack of skilled labor. Further, the presentation also made the case for increasing agricultural productivity that would promote agricultural growth.

Towards the end, the presentation focused on the prospects of WTO on food security. Given that India is Nepal's main trading partner, it was stressed that Nepal-India Bilateral Treaty should be used to settle any current agricultural trade problems. The presentation finally reiterated Nepal's commitment during WTO accession with regard to improved market access,

security and transparency along with assurance of compliance on WTO, Agreement on Agriculture (AOA), SPS, TBT, among others.

Please visit this hyperlink to find the presentation slide [here](#).

Panel Discussion: Nepal's WTO Membership and its Implication on Food

Discussants: Dr Ramesh Sharma

Dr Ram Devi Tachamo Shah

Moderator: Prof. Dr Mahesh Baskota

The panel discussion, with a principal focus on food security, highlighted the importance of formulating scientific policy and a sound implementation plan for ensuring growth in agricultural. It was stated that food security is linked with prevalence of both malnutrition and obesity in the general population. In this regard, the role of WTO was underscored in ensuring better food availability.

The discussion pointed to the growing problem of obesity around the world in general and particularly in Nepal in the context of the Sustainable Development Goals (SDG). It was pointed out that the rise in popularity of imported fast foods that have little nutritional value and attractive packaging can be linked to obesity.

The discussion also touched on maximum bound tariffs of 40-60% in the import of agricultural produce that has created dead weight for the nations trying to raise the protection of their agricultural products within their economy. Additionally, despite the fact that Nepal is subject to zero tariffs, the country has not been able to fully profit from it due to a number of non-tariff regulations.

Meanwhile poor governance was highlighted as another area of concern which has been the cause of underperformance in trade post WTO membership. Further, the lack of sound supply chain was attributed to food scarcity in a few geographical regions in the country. The discussion finally recommended more involvement of academia in framing smart and implementable policies that are evidence based and geared towards enhancing overall agricultural productivity to bring desired results.

2.2 Presentation: Nepal's Challenges of Food Security: Price, Productivity and Stockpiling by Dr Yogendra Kumar Karki, President, Nepal Agri-Economics Society and Former Secretary, Government of Nepal

Dr Karki's presentation mainly concentrated on Nepal's current situation with regard to food security and the difficulties being faced by the country. Highlighting the fact that 30–40% of all food produced is wasted, it was stated that the world needs about 3.7 billion metric tons of food to feed the people each year. Additionally, the contribution of agriculture to GDP has fallen from 40% to 23.9% within a decade; the figure painted a rather dismal picture in the light of the growing population. As shown in the statistics of Nepal, 61% of the population depend on agriculture for their livelihoods with a majority being subsistence and mixed farming dominated by smallholder farms. The presentation also showed that, out of 77 districts, 45 have food surpluses and 32 have food shortfalls. This called for a robust strategy for improving the supply chain, logistic management and distribution framework to ensure movement of food from surplus to deficit districts.

Another issue that Dr Karki foregrounded was the main challenges faced by Nepal in terms of food security. Especially, the lack of functional coordination between the three tiers of the government along with the problem of climate change was highlighted as a major roadblock. In addition, other factors such as lack of irrigation, a shortage of competent human resources, and insufficient investments in the agricultural sector were presented as obstacles to food security. Similarly, India's decision to fix the price of 24 major commodities was raised as another major factor. Further, the outmigration of large numbers of youth to foreign country for better education and career opportunities was presented as another militating factor. Additionally, the presentation highlighted greater need for research-based education, particularly in the sector of agriculture, owing to the fact that the 40% of scientific posts at National Agricultural Research Council (NARC) remains vacant.

The presentation concluded with some recommendations for the way forward. These included effective implementation of the 15th Plan, Agriculture Development Strategy (ADS), Nationally Determined Contributions (NDC), National Adaptation Plan (NAP), Sustainable Development Goals (SDGs) and climate change policy. Promoting investment strategies for climate-smart agriculture as well as the commercialization of agriculture and agricultural products in production as well as distribution sectors were also suggested. Other recommendations

included ensuring food quality, adhering to sanitary and phytosanitary standards, improving the value chain, and encouraging private sector assistance for climate smart agriculture (CSA).

Please visit this hyperlink to find the presentation slide [here](#).

Panel Discussion: Nepal's Challenges of Food Security: Price, Productivity and Stockpiling

Discussants: Mr Bhairab Raj Kaini,
Dr Kalpana Khanal

Moderator: Prof. Dr Mahesh Baskota

The panel discussion kicked off with the talk on domestic production, foreign aid and imports as three major sources of food in Nepal. Meanwhile, sufficiency, safety and nutrition were suggested to be three main criteria for evaluating food security.

The discussion then turned to the idea of stockpiling and buffer stock, one of the key methods for avoiding food crisis. It was mentioned that Nepal does not currently stockpile food; however, it does employ a buffer stock to supply food to individuals in need and those who live in remote areas. This approach to supply chain management was said to be particularly useful in mountainous areas where food scarcity is a recurring issue.

Furthering the discussion, the panel took up the importance of food sovereignty as an issue of national security in order to survive exogenous crises like blockades. It was suggested that evidence based policies be designed to concurrently address the issues of both food safety and sovereignty. Meanwhile concerns were raised regarding double digit inflation which erodes the purchasing power of mostly low income and marginalized households thus negatively impacting the food security in the country.

The discussion also highlighted the necessity of promoting other indigenous foods like corn and barley, which are purportedly more nutritious and easier to cultivate than rice, as the primary component of the Nepalese diet. Emphatically, it was urged that the cultural stigma that certain foods are solely eaten by the poor should be lifted.

At the session's conclusion, additional suggestions were provided on the ways to connect agricultural education with business to create more agro-entrepreneurs that the country needs. Particular emphasis was placed on the necessity of fostering a culture that draws young people to the agriculture sector. Finally, it was also recommended that the effects of climate change and their implications for agricultural products be carefully examined in order to improve food security for future.

2.3 Presentation: Food Security of Net Food Importing Developing Country by Ms Abdel-Motaal

Ms Abdel-Motaal's presentation focused on the evolving food security situation over the years and the role of international trade in improving it, including the Black Sea Initiative (BSI) in the wake of Russia-Ukraine conflict. Because of the conflict, the food security situation is observed to have gotten worse, with an overall 8% increase in food prices compared to the previous year. Furthermore, the conflict is argued to have made fertilizers less accessible, which has had a significant negative influence on planting seasons and lowering overall expectations for world food supply for the coming year. Due to higher food import costs in the majority of vulnerable nations, there is now greater chances of global starvation in the offing.

The presentation also emphasized the need of global response led by institutions like the WTO and FAO in solving growing challenges of food security as a single nation will not be able to tackle issues of global magnitude. Further, the quick policy response that WTO took in removing export prohibitions on food purchased by the World Food Program (WFP) for humanitarian purposes in the wake of the crisis was appreciated. Additionally, WTO's adaptation of a historic accord on fisheries subsidies to limit the environmentally-unsustainable practices was noted to contribute to global food security.

The presentation highlighted the fact that since the adoption of Black Sea Initiative, over 231 voyages from the Ukrainian ports have transported 5 million tons of grains to low and lower-middle, upper-middle, and high-income countries. The initiative is believed to have helped lower the international prices of wheat and maize. However, it was noted that the current shipments are insufficient to prevent Ukraine's grain storage problems which will ultimately lead to wastage of food items. The ongoing situation was assessed precarious given that 31 countries have imposed 61 major restrictions on food and feed and seven on fertilizers.

Finally, the presentation stressed the need of creating food financing and import facilities to help the LDCs like Nepal which are net food importers. Such a mechanism if devised will help avert the looming food crisis, especially during the time of poor Balance of Payment (BoP).

Please visit this hyperlink to find the presentation slide [here](#).

Panel Discussion: Food Security of Net Food Importing Developing Country

Discussant: Dr Pankaj Koirala,
Dr Deepak Khadka

Moderator: Prof. Dr Mahesh Banskota

The panel discussion engaged on the issue of global food crisis and its impact on developing nations' overall food systems. The fact that the least developed nations only account for 5% of global food trade was considered lamentable. Further, the need for developing nations like Nepal to formulate policies and strategies to deal with the potential effects of the food crisis was emphasized. It was suggested that these nations cooperate and share knowledge in order to develop scientific metrics for evaluating the risks and vulnerabilities associated with food security. To address the issue of food security, it was recommended to pay more attention towards identifying underutilized food crops with high nutritional benefits.

The session also pointed to the lack of primary data pertaining to households that is considered a major cause in the formation of policies to address the self-sufficiency in food. Concerns were also raised about the asymmetry in trade between Nepal and India, wherein agricultural products from India move freely into Nepal but not the other way around.

The panel discussion ended with the recommendations for creating an international society strong enough to act against any food crisis. It was further recommended that nations like Nepal diversify their food imports and do not rely on a single country to ensure improved food security.