

Business

Trade deficit narrows to Rs 1,177

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The country's trade deficit has narrowed by 2.26 per cent to Rs 1,177.18 billion in the first 10 months of this fiscal year compared to last fiscal when the trade gap stood at Rs 1,204.42 billion.

According to statistics unveiled by the Department of Customs today,

Nepal imported goods worth over Rs 1,303.35 billion in the review period, a decrease of 2.39 per cent compared to the same period last fiscal year.

The goods were imported from over 162 countries.

Meanwhile, exports from the country stood at Rs 126.17 billion, down 3.61 per cent compared to the corresponding period of last fiscal year.

In the first 10 months of the current

fiscal year (mid-July to mid-May), Nepal's total foreign trade stood at over Rs 1,429.53 billion, a drop of 2.50 per cent year-on-year.

In the review period, the imports-to-exports ratio stood at 10.33. This means the country imported \$10.33 worth of goods for every dollar's worth of goods exported. Such ratio had stood at 10.20 in the corresponding period of previous fiscal.

Nepal continues to face a trade deficit — India and China.

According to reported goods worth from the south in the review period, amounted to Rs 1,177.18 billion. Consequently, the trade deficit stood at Rs 725.95 billion in the review period.

BIZ BRIEFS

Furnex Nepal 2024

KATHMANDU: The 10th edition of Furniture Expo (Furnex Nepal 2024) is going to be held here in Bhrikuti-mandap. The Nepal Furniture and Furnishing Association (NFFA) is going to organise the expo from September 18 to 21 with the slogan 'One step ahead in self-reliance', as per a press statement. According to organisers, the expo will also host an open market for the first time. The organisers announced that stall booking for the expo on a first-come, first-served basis had been opened and 50 per cent of stalls were already booked. —HNS

GIBL-Cimex ink MoU

KATHMANDU: A memorandum of understanding has been signed between Global IME Bank Ltd (GIBL) and Cimex Inc Pvt Ltd for hassle-free loans for purchase of electric vehicles. According to the agreement, the bank will provide auto loans to eligible Nepali citizens who want to buy electric vehicles of BYD sold by Cimex Inc, the official dealer of the brand, within three days of receiving all the necessary documents, as per a press release. To promote green financing, the bank has been disbursing loans for personal vehicles at minimum interest rates. Considering the convenience of its customers, the bank has been introducing various types of timely schemes. The memorandum of understanding was signed by Deputy Chief Executive Officer of GIBL Suman Pokharel, and Sales and Showroom Manager of Cimex Sandhya Shrestha on behalf of their respective organisations. —HNS

Galaxy M15 5G

KATHMANDU: Samsung Nepal has officially announced the launch of the Galaxy M15 5G, with several segment-leading features. The latest additions to the immensely popular Galaxy M series offers users a superior smartphone experience with Super AMOLED FHD+ display, monster battery and powerful processors, as per a press statement. Available in two stylish colours — Blue Topaz and Stone Grey — it is powered by MediaTek Dimensity 6100+. Galaxy M15 5G comes with segment-best 6000 mAh battery that can power the smartphone for up to two days. Samsung is also providing a genuine 25W Samsung Adapter absolutely free for the consumers. Galaxy M15 5G will be offered at an exclusive price of Rs 25,999 for the 6GB+128GB for the storage variant. With Samsung Insta Finance service available at over 2,000 authorised Samsung stores across Nepal, one can get this new phone on EMI at zero per cent interest rate with just your citizenship. —HNS

Nepal marks 20 years in WTO

Experts highlight trade gap and lack of competitive edge as the major problems

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Experts and stakeholders have said that Nepal has not been able to reap the expected benefits after becoming a member of the World Trade Organisation (WTO).

Kathmandu University School of Management (KUSOM) and the WTO Chairs Programme (WCP) Nepal had held a discussion titled '20 Years of Nepal's Accession to WTO' on Sunday.

Registrar of Kathmandu University, Professor Achyut Wagle, highlighted the increasing trade deficit every year and Nepal's inability to compete in trade as the main problems. He emphasised that such issues should be discussed regularly and that every policy and rule should be based on research and data.

Former vice-chairman of the National Planning Commission (NPC) and economist Biswo Poudel, echoed these sentiments, stating that world trade has not yielded the desired benefits for Nepal. He pointed out that the agriculture and energy sectors have particularly suffered from huge trade deficits.

Poudel noted the significant role of India and China in Nepal's international trade and suggested that bilateral trade should gradually evolve into regional trade.

He stressed the need to prioritise the industrial sector, as the service sector's share is increasing while both agriculture and industry sectors' contributions are decreasing. Currently, agriculture and petroleum products account for 40 per cent of Nepal's total trade deficit.

Member Secretary of the NPC Toya Narayan Gyawali, acknowledged some benefits

from WTO membership but pointed out Nepal's failure to produce competitive goods, resulting in a high trade deficit.

He recounted Nepal's 34-year journey to WTO membership, which was achieved in 2004 as the 147th country. Despite being a least developed country, Nepal has struggled to leverage some benefits of WTO membership.

Gyawali mentioned that while trade policies were previously unpredictable and non-transparent, there has been progress with technical support and expanded market access. He also referred to a report prepared by the commission on the impact of Nepal's upgradation from a least developed country (LDC) and strategies for smooth transition.

Purbanchal University Vice-Chancellor, Professor Biju Kumar Thapaliya, emphasised the importance of the supply chain in foreign trade. He highlighted Nepal's significant role in reaching the international market through auction market management and identifying buyers. Thapaliya noted that auction market management is a common issue for landlocked countries and suggested that Nepal needs to address it through geo-political discussions.

Executive Director of South Asia Watch on Trade and Environment (SAWTEE), Paras Kharel, discussed the work done for trade facilitation since Nepal became a WTO member. He noted that both imports and exports have been encouraged due to trade liberalisation.

"However, Nepal could not impose import duties due to various agreements, including bilateral treaties that exempted 50 per cent customs duty on

rice," Kharel stressed, adding that Nepal's exports cannot be competitive unless the domestic market improves, attributing the problem to a lack of production capacity.

Agriculture expert Yamuna Ghale stated that government agencies have not sufficiently discussed the pros and cons of WTO membership in international forums. She pointed out that poor institutional memory capacity has hampered negotiations and that Nepal's food security is weakening due to lack of production capacity. Ghale warned of potential crises if Nepal's food production remains under external control and highlighted the need for competitive export industries.

Immediate past president of Confederation of Nepalese Industries (CNI), Vishnu Kumar Agrawal, noted that Nepal now has easier access to a large global market.

However, he criticised the government for not fulfilling promises on export promotion and facilitation. According to Agrawal, production and productivity have been adversely affected as export promotion programmes are frequently included in the budget but fail to deliver results.

Undersecretary at the Ministry of Industry, Commerce and Supplies, Liladhar Adhikari, stated that Nepal has failed to effectively promote Nepali products. He emphasised that being a WTO member implies consistent customs levels and suggested that priority should be given to domestic industry to expand trade by ensuring no higher tariffs are levied. Adhikari concluded that Nepali products need to become competitive in the domestic market to succeed globally.



Tea farmers picking purple tea leaves in Kenya. Kenyan purple tea is a unique variety from the equatorial regions of Kenya's rolling hills, known for its abundant sunshine and proper