

# WTO Accession- Lessons from Nepal

*Presented by*

*Jib Raj Koirala*

*Under Secretary*

*Ministry of Commerce and Supplies Government of Nepal*

Pre-Membership-I  
Post Membership-II

# My presentation Outline

- Expectation from WTO membership
- Lesson from pre membership
- Lessons from post membership
- Strategies for mitigating Challenges.
- Efforts to mitigate challenges
- Nepal's post accession efforts
- Concluding notes

# What People Expecting from WTO Membership

- Integrating Economy into Global Mainstream
- Securing Market for Exports
- Maintaining Policy Stability
- Strengthening Domestic Institutions
- Attracting Foreign Investments
- Benefitting from Fair Trade Rules
- Enhancing Competitive Capability

# Lesson-1 .Do Not Forget basic facts from your National Perspectives

- Development Needs
- Flexibility provided by WTO
- Policy Space to Protect domestic producers, professional and workers
- Domestic reform opportunities
- Demand from Member States



# Lesson-2. There requires always a Balanced Approach

- National Constraints
- Present State of Policy Regime
- Economic & Institutional Capability
- Potential Opportunity/Benefits
- Commercial Interest of Members
- Trend in Neighboring Countries



# Lesson-3. Patience is always Welcome AS....



- There is no Accession Criteria
- Terms to Accede might be Discriminatory to You.
- Process is Complicated and Time Consuming
- Negotiation is one way You have only to give
- Inconsistency in Bilateral and Multilateral

# Lesson-4 Do not get frustrated about Members Reluctances.... but push them..

- Considering Best Endeavor Clauses
- Recognizing Unilateral Liberalization
- Determining indicator of level of Development and Level of Commitment
- Recognizing LDC Status
- Institutionalizing Technical Assistance





# Lesson-5 Recall Negotiating instruments that may answers the critical questions .....

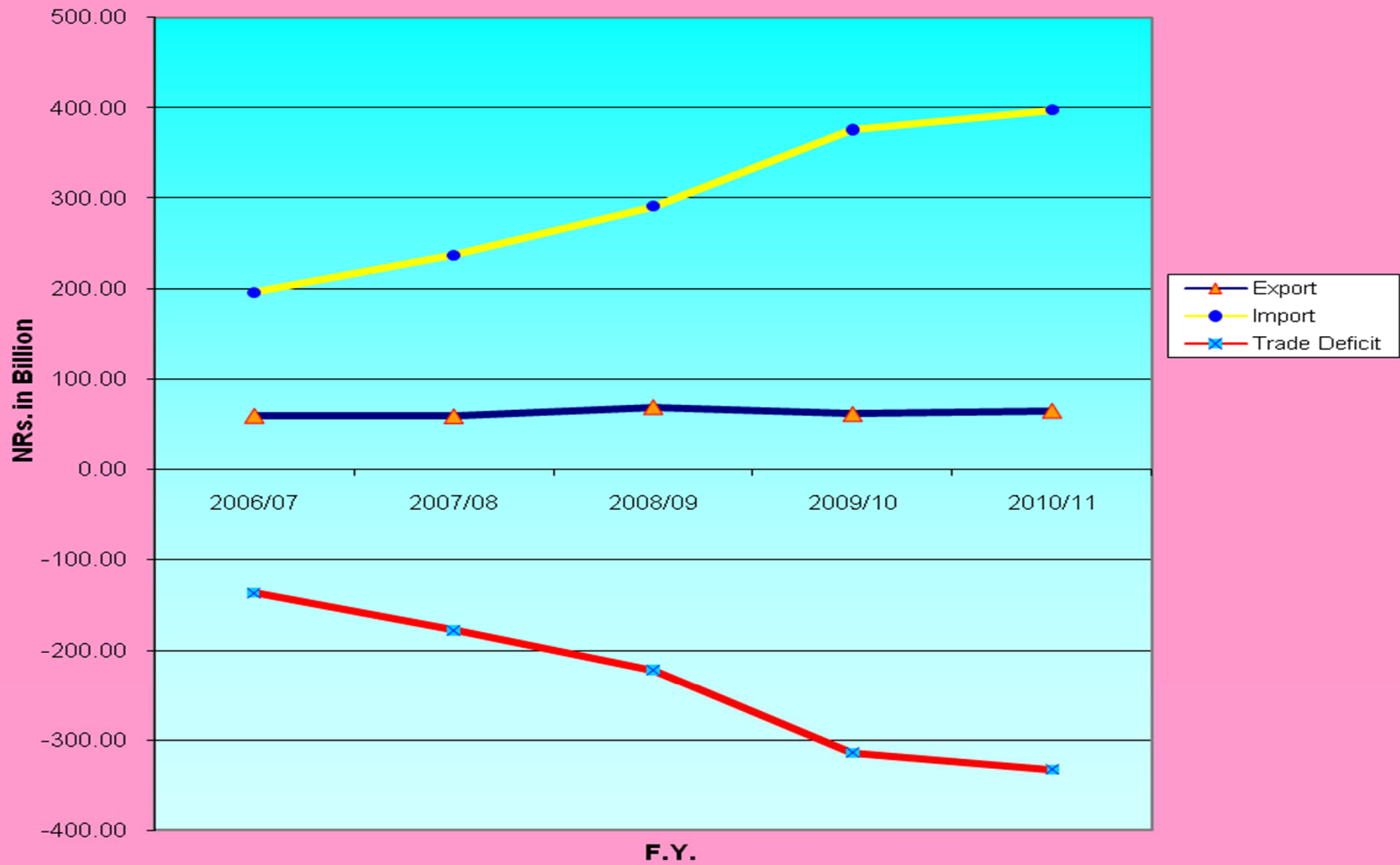
- Doha Declaration to Facilitate LDC Accession
- General Council Guidelines on Market Access
- Common Voice of LDCs as a Group
- Question of Universality of WTO



## Post-Accession

Challenges Ahead – Constant deterioration of trade performances from the time of accession to date.

### Trade Performance of Nepal



# Major Lessons(1)

- Coordination among agencies is complex.
- Expectation of people from WTO Membership is very high- Difficult to fulfill
- Making Service domestic Regulation seems to be a difficult task.

# Major Lessons (2)

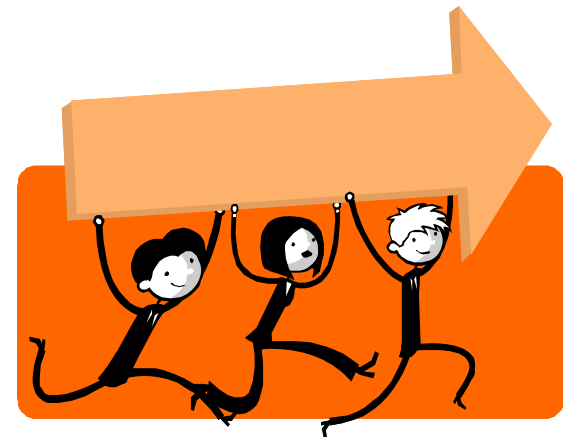
- Supply side constraints being major hurdles for expansion in trade.
- Not availability of Trade Assistances as expected
- Poor Capacity Building remains stumbling block in the implementation
- Private sector participation is very minimal
- Myth about obligation and fulfillment of commitments solely the business of Ministry of Commerce



# Strategies for Mitigating Challenges (1)

It is an economic matter but the process is political, therefore,

- **Move Together-** Making Trade Regime WTO compatible not possible only by a single authority
- **Follow Coordinated Approach-** Fulfillment of commitments may take longer time, if not followed coordinated approach.
- **Enhance Negotiating Capacity** – For an Effective Mobilization of Aid for Trade.



# Strategies for Mitigating Challenges (2)

- **Try to be visible**-Make strong presence in different international trade negotiation forums
- **Make Awareness**-Build consensus among stakeholders in the country.
- **Minimize** supply side constraints
- **Make better use** of facilities provided by MTA for LDCS

# Strategies for Mitigating Challenges (3)

- **Make use of** WTO LDCs Group in Geneva
- **Make use** of think tank in the country including Civil Societies related to trade.
- **Lobbying** externally and internally (Diplomatic mission and abroad)
- **Make use of** WTO 8<sup>th</sup> Ministerial meeting decisions of accession (it basically calls for, TA, Transparency, bench mark and level of development...)



# Nepal's Post Accession Efforts

- **Mainstreaming trade** into National planning document and sectoral policies.
- **Apex Committee** on WTO issues headed by chief Secretary
- **Trade Policy 2009**
- **NTIS 2010**
- **TPR in March 2012**
- **Working Committee** headed by Secretary MOCS
- **Focal Points** designated to all the concerned Ministry
- **Lobbying** for TRTA at national and global level.
- **Strengthening institutions and HRD** through training and development activities

# Nepal's Post Accession Efforts(2)

- **Advocacy Consultation and interactions** with Private sector in WTO issues
- **Continuation** Study and Research
- **Efforts to Mobilize** AfT to minimize Supply side constraints

# Concluding Note

1. WTO membership has become **inevitable** for global integration
2. **Delay** brings new and tough terms
3. **Achieving Balance** in terms & time is the challenge
4. **National consensus** for ownership
5. **Benefits from WTO system is not automatic**, requires lot of efforts.
6. Post accession is **more panic** than pre accession

**THANKS**