WTO Accession- Lessons from Nepal

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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.
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 8th 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