

# Govt plans to increase exports to Rs 100b in three years

## POST REPORT

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**T**HE Ministry of Commerce and Supplies plans to increase the country's export to Rs 100 billion within the next three years. The figure as of last fiscal year stands at Rs 76 billion.

Submitting its proposed objectives, policies and programmes for the new three-year plan (2013-14-2015-16), the ministry said export of goods identified as by the Nepal Trade Integration Strategy (NTIS) as having 'huge export potential' would be increased to at least Rs 1 billion by the end of the periodic plan.

The ministry has begun homework on reviewing the NTIS 2010 in a bid to promote exports and bring reforms in export-oriented businesses. Under the review process, the ministry said it will revise the NTIS action plan and increase the list of the products.

The ministry also plans to reduce trade deficit to 20 percent of the Gross Domestic Product (GDP). Nepal's trade deficit to GDP stands at 22.8 percent, according to the Economic Survey 2011-12 published by Finance Ministry.

The country witnessed trade deficit of Rs 387.4 billion in the last fiscal year, according to Nepal Rastra Bank statistics. "By making trade a medium for economic development and employment generation, the ministry will work to increase exports," read the proposal submitted to the National Planning Commission (NPC).

The NPC is currently making preparation for the interim plan. The current three-year plan is



expiring at the end of this fiscal year.

Toya Narayan Gyawali, joint secretary at MoCS said the ministry submitted the proposed programmes and objectives a few days ago to the NPC. The programmes have focused mainly on reducing the ballooning trade deficit.

In its proposal, the ministry has said it will take a number of measures, including promotion of exportable goods and services through incentives and facilities. The ministry has also envisioned prioritising the service sector as an integral organ of trade sector and aimed to expand the services sector in the international arena.

"In a move to promote the service sector as a major exportable item, the ministry will set up a Council for Service Trade Promotion," read the proposal.

Trade expert Ratnakar Adhikary

said the set target to increase the export up to Rs 100 billion annually 'is feasible, if only the government worked seriously'. He said the government should focus on addressing the supply side constraints and other export barriers. He also said the government should announce 2014 as export promotion year. "If the campaign is launched, the government could achieve the set target by the end of 2015," he said.

The ministry also said it will prepare a product profile of goods from 10 districts that have export potential. Establishing an international exhibition centre is another plan of the ministry. Other plans of the ministry include establishing a trade policy analysis mechanism with the participation of the government, private sector and experts in order to take a concrete policy based on the international trade trend.