



Business Beyond Boundaries - Trade Opportunity

Bishnu Prasad Lamsal
Minister (Economic)
Embassy of Nepal, New Delhi.

Trade scenario in general

- Trade is regarded as an engine of economic growth.
- Interdependency among countries is increasing due to globalization.
- WTO, IMF, WB, and UN system are the systemic form of globalization.
- Many countries have entered into BTAs, MTAs, FTAs and RTAs for socio-economic development.

Trade.....

- Trade between developing countries has grown rapidly.
- Fact show: outward- oriented economies have higher growth rate than inward-economies.
- International trade and cross-border investment flows are the main elements of global integration.

Liberalization

- Liberalization is a policy measure
- Relating to economic policies
- It advocates liberalizing of economy against:
 - ❖ Unnecessary controls and regulations
 - ❖ Does not support any unwanted restriction
- Dimensions: Economic, Political, Social, Cultural

Liberalization.....

- No liberalization hosts:
 - Undue delays,
 - Inefficiency and corruption.
- Liberalization brings in:
 - Transparency in the policy and
 - A type of economic reform

Liberalization

- Aims to free up world trade and break down the barriers to international trade
- Basic philosophy rests on the principle of ***comparative advantage***



Globalization

Globalization refers to the growing interdependence of countries resulting from the increasing integration of trade, finance, people and ideas in one global marketplace.

In economic term it refers removal of trade barriers,(free flow of goods and services) common economic policy, common currency, etc.

Economic Globalization

Increasing economic interconnectivity

Rapidly expanding volume of capital flows

Capital remains concentrated among the wealthiest nations

(Economic Globalization is of Capital, Technology, Goods & Services, and Labor)

Globalization & McDonald's as a Case



Framework of trade in SA

- WTO: Non discrimination; Most Favored Nation (MFN) concept.
- Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC) and its Free Trade Agreement (FTA).
- SAARC and South Asian Free Trade Area Agreement (SAFTA).

Nepal in The Global Market

- As per World Trade Statistics 2009, in 2008
- Exports US\$ 1050 million
- Imports US\$ 3600 million
- Share in World merchandise export 0.01%;
- Annual growth in export 18% & in imports 24%;
- GDP growth rate is 3.5%;
- However, the trade is growing faster than the GDP;

Business opportunity in Nepal

- Has been adopting an open and market oriented trade policy. 4 main objectives of new trade policy:
 1. Creating a conducive atmosphere for making trade competitive at international level.
 2. Reducing trade deficit through export promotion.

Business.....

3. Increasing income and employment opportunities.

4. Establishing interrelationship between domestic and foreign trade.

- Some opportunity factors are there for investor:

- High chance of value addition.

- Growing middle class population with increasing purchasing power.

Business.....

- Increasing Human Resource of world class.
- Rising growth of remittances.
- Investor oriented policy of the government.
- Two rapid growing economy in neighbor India and China
- Availability of cheap labor and cheap communication charges.

Areas of mutual cooperation

- Government of Nepal has identified priority areas of investment:
 - Hydro power sector,
 - Manufacturing industries.
 - Mining industries.
 - Construction industries.
 - Tourism industries.

Areas

- Invest and establish petrochemical industry in the land of Nepal.
- We welcome your investment in Nepal
- I must say “your money can earn more money in Nepal”.

Thank You.