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TALKING POINTS

Mr. Chair

First of all let me express my sincere thanks to WTO and especially the Trade in Services and Investment Division for giving me this opportunity to present some thoughts in this workshop. I would also thank the secretariat for their excellent administrative and financial support to enable my participation in the event.

I see many scholars here in this room and hopefully we can learn from them about the technical service export capacity. I am present in this meeting not as an expert but as a policy maker and my opinions in this regard should be more of a practical nature .

Mr. Chair , allow me to highlight some of the general issues in service trade development and also reasons why we have not been able to participate meaningfully in world markets.

Service s trade it is more important to Landlocked and Least Developed Countries LDCs, because the existing geographic bottlenecks make LLDCs merchandise products and less competitive in the world market. Especially LLDCs are paying extra production cost of normal LDCs. The extra production cost may vary from country to country, in normal almost 15 -20 % above the costs of neighbouring countries . This means that most of the LLDCs are 15 to 20 % less competitive in the world market. This situation suggests that moving from merchandise trade to service trade is desirable.

We know that the services sector in LDCs plays an increasingly important role for economic development through the generation of opportunities for greater income, productivity, employment, investment and trade and of course , its positive impact on poverty reduction . We know that manufacturing activities and competitiveness increasingly depend on services or "servicification" and shifting from the agricultural and manufacturing sector to service s is also not easy.

If we look at the degree of readiness of LDCs for the service liberalization process , we know that they have been working in parallel with our development partners and significantly liberalizing their economies. The IMF and World Bank were active players to develop competitive economies in developed countries . Similarly they had designed several structural

also emphasized the need for service trade and accordingly we are moving toward negotiation of services liberalization. My country has two regional agreements, the South Asia Free Trade Agreement, and Bay of Bengal Multi Sectoral Technical and Economic Cooperation (BMISTEC). Under Trade in Services (SATIS) within the framework of South Asian Free Trade Agreement (SAFTA), Nepal has offered liberalization of 11 sectors and 70 subsectors. Preparation of offers in the context of the Bay of Bengal Multi Sectoral Bl

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It is therefore high time to review our existing efforts to reap the benefits from services trade. I don't

With regard to (ii) creating an enabling environment for service development, we can increase awareness, develop or strengthen the data collection and dissemination of services export, prepare a master plan for service development, and strengthen established and emerging services. Furthermore, we can improve the legislative framework for services, including sector specific legislation and regulations. Another area of focus lies on skill development.

With regard to the mobilization of development and trading partners, we can simply ask our development partners to assist us to conduct R&D for potential service sector development along with a market intelligence report.

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