

Statement by Ambassador Dr. Dinesh Bhattarai, Permanent Representative of Nepal to the WTO, at the informal TNC meeting on 22 July 2008.

Mr. Chairman,

My delegation commends your untiring efforts to complete the Doha Round which promised to 'to ensure that developing countries, especially the least developed countries among them, secure a share in the growth of world trade commensurate with the needs of economic development. In this context, enhanced market access, balanced rules and well targeted sustainably financed technical assistance and capacity building program have an important role to play.'

This acknowledges the particular problems and vulnerability of the LDCs and commits members in this House to address their neglect and marginalization. We think that ongoing meetings this week are an opportunity to rectify inequities, imbalances and deficiencies in the current trading regime and improve the implementation of past agreements and commitments.

We consider trade as a powerful engine of growth to reduce poverty. The benefits of global growth and prosperity must be equitably shared. For this to happen, free trade has to be fair and inclusive. My delegation views a free, fair and inclusive trade will help promote political stability and work for the socio-economic transformation in the post conflict states and societies.

Nepal is making a peaceful political transition from over a decade long armed conflict within the overall framework of democratic polity. Armed conflict has been converted into the peace process. Former rebels are in the mainstream of the competitive multiparty system of governance, but underlying causes of conflict like poverty, inequality, social and economic exclusion, unemployment, weak social and political structures exist in abundance. Our challenges are specific that include restoring trust and confidence of the people in the capacity of democratic process to deliver, take care of their needs and work to promote their welfare, and ensure an equitable distribution of political and economic power which in turn will help build, and

strengthen democratic institutions. As we deliberate here with a view to complete the Doha round, the needs and interests of developing and LDCs need to be put at the heart of our negotiations.

One area of great concern for us is readymade garments that hold a great importance and therefore are highly sensitive for Nepal. Once the rising stars of the Nepalese economy, they have lost the markets by over 80% in recent years. Their decline has accelerated following the phase out of MFA. We feel that there should also be an assessment of cost implications of globalization and liberalization on LDCs and countries that have lost their market shares by more than 50% of the export volumes of the peak year need to be compensated, it is where the special and differential treatment measures need to be implemented in favour of the LDCs.

For a country like Nepal with less competitive industries, lack of trade related infrastructures, landlocked status; it is tough to compete at global level. Comprehensive Duty Free Quota Free access to our products provides us a real level playing field.

The Hong Kong commitment to provide DFQF market access to 97% products originating from LDCs in the developed markets needs to be fully implemented at the earliest. Any deviation and delay in its implementation with clear and beneficial market access for products of LDCs in this category will seriously undermine the confidence in the multilateral trading system.

How and when we are going to have the rest three percent is of great significance to us in order to effectively open up the markets for all products. Comprehensive coverage for products will play an important role in the creation of employment, empowerment of women, development of small and medium enterprises (SME), equitable distribution of income, diversification of economy and help generate much needed revenue in the country. My delegation would like to emphasis on the need for a better understanding of our difficulties and genuine concerns at this highly sensitive and extraordinary moment of democratic transition from the development partners.

Rules of origin have been crucial for preferences dependent countries like Nepal. Simple, transparent and facilitating Rules of Origin is important to be in place so that what is given by one hand is not taken back by the other.

Mr. Chairman,

Meaningful and beneficial market access opportunities at an enhanced level for LDCs like Nepal are about the bread and butter for millions of people in the country. For us, it is about transforming peace into a functioning democracy, it is about sustaining and strengthening the democratic process, it is about retaining a powerful section of society youth into constructive channel, institutionalizing the non-violent means for peaceful resolution of conflict, and moving toward equitable and sustainable order.

Finally, Mr. Chairman, I would like to reiterate the commitment of Nepal to the consolidation of the international trading regime that makes global market open, balanced, equitable and sustainable. All of us in this hall have common but differentiated responsibilities because of the level of our development. Let us not lose sight of the central theme of Doha: development. Nepal wants centrality of the development dimension in all areas of negotiations for creating new opportunities and economic hope to the people, as peace cannot take hold in the absence of economic hope and opportunities.

An unequal and imbalanced trading regime will not only undermine the legitimacy of the multilateral trading system, and but also aggravate the current challenges of food and fuel crises that are causing hardships, panic and social unrest across the developing world.

Thank you.