

NEPAL: COMPANY PERSPECTIVES

AN ITC SERIES ON
NON-TARIFF MEASURES



Nepal: Company Perspectives

An ITC Series on Non-Tariff Measures

About the paper

Inadequate export quality infrastructure is seriously affecting Nepalese exporters.

Half of 577 surveyed companies in Nepal (exporters, producers, logistics providers) face difficulties in proving compliance for buyer requirements, due to inadequate testing and certification bodies.

The report recommends strengthening Nepal's quality and customs infrastructure, better engagement with India for transit and trade facilitation, and enhancing the export production capacity of small businesses.

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For more information, contact: Ursula Hermelink (hermelink@intracen.org)

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Foreword

For a landlocked least developed country like Nepal, trading costs are high. Accessing international markets is a challenge. Long transit times, insufficient supply capacity and inadequate domestic infrastructure hinder export development efforts. The rise of non-tariff measures (NTMs) in recent decades adds a new level of complexity. Small and medium-sized enterprises (SMEs), which make up the economic backbone of the country, often struggle the most to meet these market entry requirements.

The International Trade Centre (ITC) is committed to supporting SMEs in Nepal to improve their export competitiveness. The first step is to have a good understanding of their difficulties and concerns.

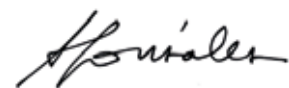
This study, *Nepal: Company Perspectives*, is based on a large-scale survey of Nepalese exporters, producers and logistics service providers. It highlights the major regulatory and procedural obstacles to trade encountered by the Nepalese business community.

The report gives special attention to the trade obstacles affecting export products prioritized by the Nepal Trade Integration Strategy. It puts forward a set of policy recommendations, prepared in close consultation with experts and local stakeholders, to alleviate difficulties faced by Nepalese SMEs. This study is part of ITC's NTM Programme which has conducted similar surveys in 66 other countries and, as a result, implemented projects to reduce the impact of non-tariff barriers on SMEs.

Market access begins at home. It is important to improve local capacities and facilities, streamline procedures, enhance quality management systems, and provide transparent and timely information. To this end, constructive public-private sector dialogue is a key ingredient in the recipe for a conducive business environment and export success.

I congratulate the Ministry of Commerce of Nepal, which has fully demonstrated its commitment to this approach. During the production of this study, joint efforts by the Ministry and ITC brought public and private sector representatives together to explore how best to overcome trade barriers that businesses face.

I hope that this study will serve as a roadmap to guide Nepal's trade policies and strategies. Nepal remains a priority country for ITC. We stand ready to accompany Nepal in implementing these recommendations to improve the competitiveness of Nepalese SMEs, and increase their contribution to Nepal's growth and development.



Arancha González
Executive Director
International Trade Centre

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Samidh Shrestha managed the survey implementation in Nepal, and Ursula Hermelink (ITC) managed ITC's overall NTM Programme. Abdellatif Benzakri (ITC) and Youssef Dhabbah (ITC) contributed to data quality control and provided statistical support.

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