

NTIS 2010 and biodiversity-based products

National workshop on “Biotrade and green economy: A business opportunity with export, poverty reduction and conservation benefits”

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Nepal Trade and Competitiveness Study

- Conducted in 2003, before Nepal's WTO membership, as part of the Integrated Framework (IF) for Trade-related Technical Assistance
- Overviewed Nepal's trade regime and performance, discussed Nepal's WTO membership, labour market, trade facilitation, regulatory framework and FDI, and among others, presented case studies of the following sectors:
 - Carpets
 - Readymade garments
 - Tea
 - Agriculture
 - Tourism
 - Hydropower

Nepal Trade Integration Strategy 2010

- Follow-up to the Nepal Trade and Competitiveness Study
- Based on an assessment of export performance and some extensive discussions with the Nepali business community and government officials, *NTIS 2010* has identified the following 19 goods and services as having export potential:

Agro-food	Craft and industrial goods	Services
<ul style="list-style-type: none">• Cardamom• Ginger• Honey• Lentils• Tea• Noodles• Med. herbs/ess. oils	<ul style="list-style-type: none">• Handmade paper• Silver jewelery• Iron and steel• Pashmina• Wool products	<ul style="list-style-type: none">• Tourism• Labour• IT and BPO• Health• Education• Engineering• Hydro-electricity

Assessment of export development opportunities

- Use of four indices
 - Index 1: Measurement of current export performance of Nepal based on a composite indicator of 2008 export value and recent growth rate
 - Index 2: Measurement of current demand conditions using a composite indicator of size of importing markets, growth rates of those markets and tariff advantage/disadvantage for Nepal
 - Index 3: Measurement of domestic supply capacity based on qualitative assessment of current and potential supply capacity and a survey of producers focusing on quality, productivity, cost competitiveness and efficiency of supporting sectors
 - Index 4: Measurement of the potential socio-economic impact (a composite indicator of full-time equivalent (FTE) employment, participation of women in the sector, impact on poor regions and impact on skill development)

Export potential and socio-economic impact

Export Potential				
Low	Medium	High		
	Tea		High	Socio-Economic Impact
Handmade paper	Wool products	Tourism		
	Medicinal herbs	Labour services		
	Ginger		Medium	
	Pashmina products	Large cardamom		
	Honey	Lentils		
	Silver jewelry	Iron and steel products		
	IT and BPO services			
	Hydro-electricity			
			Low	
Health services	Engineering services	Instant noodles		
Education services				

Market Attractiveness Index (MAI)

- Used to identify promising export markets for each sector independently
- Use of 3 indicators
 - Size of the import market
 - Dynamism of the market
 - Market access conditions

MAPs (HS code 121190): Attractive markets

Top 10 attractive markets for MAPs (121190) based on individual indicators			
Rank	Top 10 by size	Top 10 by dynamism (growth)	Top 10 by openness
1	USA	Russia	India
2	Germany	Viet Nam	Russia
3	Japan	Singapore	Kazakhstan
4	France	USA	Belarus
5	Singapore	France	Belgium
6	Viet Nam	South Korea	USA
7	Italy	Italy	Italy
8	Hong Kong	Belgium	UK
9	South Korea	Germany	Sweden
10	Canada	Switzerland	Czech Republic

Top 10 attractive markets for MAPs (121190) based on weighted indicators							
Rank	Country	Exports from Nepal, 2008 (US\$)	World market share (%)	Growth rate, 2004-2008 (%)	Tariff for Nepal (%)	Tariff advantage (%)	Main competitors
1	USA	13,000	14.4	15.1	0	1	India, China, Mexico
2	France	0	5.2	14.7	0	0	Morocco, China, Italy
3	Germany	22,000	9.3	10.5	0	0	Poland, Chile, Egypt
4	Viet Nam	0	3.7	27.8	5	0	China, India, Hong Kong
5	Singapore	1,000	4.0	20.0	0	0	Indonesia, China, Hong Kong
6	Japan	0	7.2	8.2	0	0	China, Thailand, India
7	Italy	0	3.7	13.1	0	1	USA, France, Germany
8	Russia	0	1.8	41.5	0	3	Germany, Egypt, Nigeria
9	Belgium	0	2.8	15.6	0	1	Israel, France, Morocco
10	South Korea*	1,000	3.2	14.6	8	0	China, USA, Hong Kong

MAPs (HS code 121190): Current export markets

Top 10 export destinations of Nepal			
Country	Export value, 2008 (in 1000 US\$)	Country	Export value, 2009 (in 1000 US\$)
Hong Kong	1,875	India	1,664
India	1,025	Singapore	1,425
China	22	Hong Kong	1,237
Germany	22	China	85
United States	13	United States	51
Pakistan	11	Pakistan	46
Czech Republic	9	Switzerland	30
United Arab Emirates	5	Malaysia	27
Australia	4	Germany	22
Switzerland	3	France	21

MAPs (HS code 121190): Total exports and imports

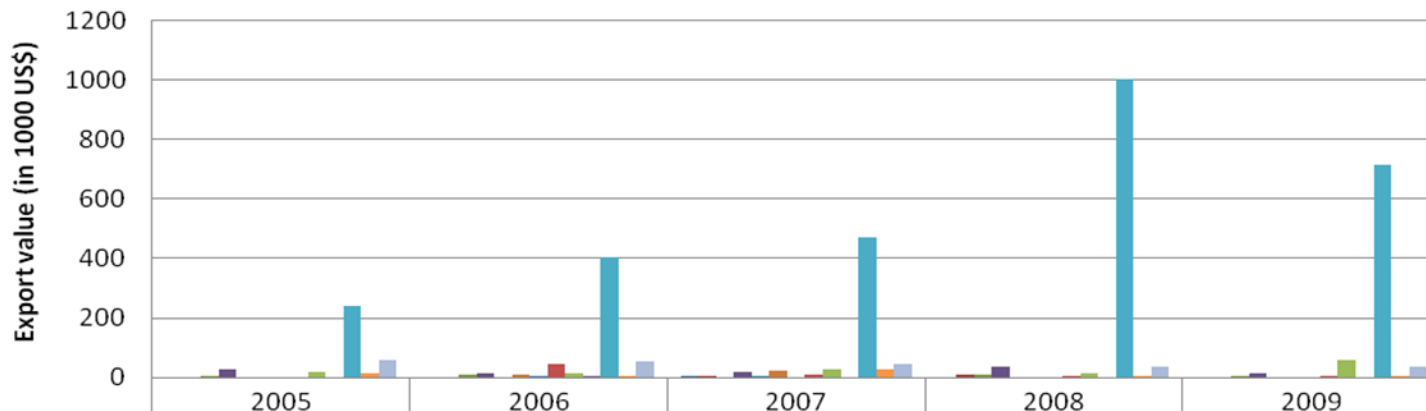
Nepal's total exports and imports in 2009 (in 1000 US\$)	
Total exports	4,658 *
Total imports	524 #

* Total exports of MAPs (121190) of the world's tenth largest exporter – Turkey—in 2009 was US\$ 34 million

# Imports by Nepal, 2009	
Country	Import value (US\$)
India	377,000
China	145,000
Hong Kong	2,000
Total	524 ,000

Essential oils (HS code 330129)

Nepal's export of essential oils (2005-2009)



	2005	2006	2007	2008	2009
■ 330111 (bergamot)			0.527		
■ 330112 (orange)			0.009	7.578	
■ 330113 (lemon)	0.303	7.664		7.578	0.031
■ 330119 (other)	26.524	13.759	16.442	36.718	15.377
■ 330121 (geranium)			1.344		
■ 330122 (jasmin)		8.187	22.22		
■ 330123 (lavender or lavandin)		0.032			
■ 330124 (peppermint)		43.602	10.95	3.223	0.033
■ 330125 (other mints)	16.969	14.967	27.031	15.741	57.906
■ 330126 (vetiver)		0.061			
■ 330129 (other)	238.865	405.878	470.023	1002.522	715.729
■ 330130 (resinoids)	16.062	2.803	27.84	2.767	0.867
■ 330190 (other)	59.81	54.904	46.653	35.067	37.614

Essential oils (HS code 330129)

Top 10 attractive markets for essential oils (330129) based on individual indicators			
Rank	Top 10 by size	Top 10 by dynamism (growth)	Top 10 by openness
1	USA	China	India
2	France	India	Russia
3	Switzerland	Singapore	South Korea
4	Germany	Switzerland	Kazakhstan
5	UK	Mexico	Belarus
6	Singapore	France	Japan
7	Japan	Germany	Latvia
8	Mexico	USA	Portugal
9	China	UK	UK
10	India	Japan	Czech Republic

Top 10 attractive markets for essential oils (330129) based on weighted indicators							
Rank	Country	Exports from Nepal, 2008 (US\$)	World market share (%)	Growth rate, 2004-2008 (%)	Tariff for Nepal (%)	Tariff advantage (%)	Main competitors
1	Singapore	0	4.8	27.9	0	0	Indonesia, China, France
2	Switzerland	2,000	9.1	25	0	0	France, Indonesia, Germany
3	India	94,000	2.8	36.6	0	18	Indonesia, China, Singapore
4	France	125,000	15.9	18.4	0	0	Indonesia, Switzerland, China
5	Germany	193,000	8.6	18	0	0	France, Indonesia, China
6	USA	85,000	18.6	15.6	0	1	France, Indonesia, China
7	UK	74,000	7.6	14.6	0	1	France, USA, South Africa
8	Japan	2,000	4	13.2	0	1	France, UK, India
9	China	0	2.8	39.7	19	-2*	USA, Myanmar, France
10	Mexico	0	3	22.6	6	-2*	Indonesia, Switzerland, China

Essential oils (HS code 330129)

Top 12 export destinations of Nepal			
Country	Export value, 2008 (in 1000 US\$)	Country	Export value, 2009 (in 1000 US\$)
Belgium	214	India	193
Germany	193	Hungary	136
Hungary	127	Belgium	126
France	125	France	89
India	94	Taiwan	56
United States	85	Germany	56
United Kingdom	74	Australia	27
Australia	44	Czech Republic	11
Taiwan	11	Canada	5
Canada	11	United Kingdom	5
Sweden	6	Sweden	5
Philippines	6	United States	NA

Essential oils (HS code 330129): Total exports and imports

Nepal's total exports and imports in 2009 (in 1000 US\$)	
Total exports	716 *
Total imports	749 #

* Total exports of essential oils (330129) of the world's tenth largest exporter –Switzerland–in 2009 was US\$ 23.8 million

# Imports by Nepal, 2009	
Country	Import value (US\$)
Indonesia	476,000
Singapore	123,000
India	115,000
United Arab Emirates	34,000
Total	749,000

Issues to consider for export enhancement

- Sustainable supply
 - Providing post-harvest knowledge and technologies
 - Encouraging cultivation rather than just depending on collection from the wild
- Standards
 - Raising awareness about the importance of standards
 - Supporting the installation of modern technologies to extract essential oils
 - Promoting the use of better packaging materials
 - Setting-up national laboratories and getting them accredited
- Intellectual property rights
 - Issuing collective mark for essential oil

Comments and suggestions are welcome.

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THANK YOU