EUROPEAN ECONOMIC CHAMBER (EEC)- NEPAL

LDC Graduation and GSP +

Policy dialogue by EU-Nepal in collaboration with European Economic Chamber (EEC-Nepal)

Nepal is scheduled to graduate on 24 November, 2026

EEC-Nepal is great full to the support and encouragement provided by the EU delegation in Nepal as well as the GIZ and ITC in making the event happen with great success . The GIZ project office colleague deserve special thanks along with the executive committee and the EEC secretariat.
The event was attended by all stakeholders and wholeheartedly appreciated the presentation of Dr. Wagle as well as the knowledge shared during the event by all those were present .

Events associates

- Chair of the session C.A. Narayan Bajaj President EEC Nepal
- Special guest Her Excellency Ms. Nona Deprez, Ambassador of the Delegation of the European Union to Nepal.
- Mr. Madhu Marasani, Secretary MoICS And Mr. Kable Bhandari, Secretary NPC (National Planning Commission)
- Keynote speaker and paper presentation by Dr. Swarnim Waglé, Chair, Integrated Development Studies (IIDS)(& former Vice-Chair of the National Planning Commission)
- Participation from the export sector,Federations of Chamber of Commerce, government, honorary consulates, media , GIZ, ITC & development partner representatives.

Photo: Dr. Swarnim Wagle, Chair, Integrated Development Studies (IIDS)(& former Vice-Chair of the National Planning Commission)

Main Issue:

The main question is on how to foster a narrative of trade optimism and counter trade skepticism in Nepal. “To be or not to be graduate.”

Exports are generated with demands from the buyers side . Reduction on import taxes or other facilities of destination countries are backed up with consumers demand and not merely by their governments desire or empathy.

Dr. Swarnim Wagle recognized the need to prioritize and consolidate the export potential of certain sectors, including those which have been Nepal’s traditional export strengths (garments, herbal MAPs, Handicrafts , carpets, pashmina etc.). This should be accompanied by a focus on greater value-addition even within these product groups with a focus on capitalization the business lead by women Entrepreneur.

The aim must be to achieve an optimum messaging which takes into account both the numbers and the narrative, in order to achieve maximum societal endorsement for a trade-led economic growth strategy for Nepal with commitments from the political level .

He clarified that the cost of graduation would be as much as three days remittance flow to Nepal and the overall benefits were much higher .
There are other provision like EBA or GSP + and it is up to government and stakeholders to decide .

All implication of graduating and not opting to graduate was demonstrated with case studies and data with details of which countries have graduated and the positive and negative effects they have experienced .

He further clarified the absence of evidence-backed, data-supported analytical studies which can support arguments and positions on trade policy of Nepal is very much felt and that too must be based as per products . The corresponding need for rigorous studies based on an empirical orientation and precise calculations based on quantitative data can feed into the negotiating processes but that is still missing in our country . Government stakeholders (municipal, district, provincial and federal level) should actively coordinate in supporting Exports . MOICS should coordinate with concerned agencies in the home country and diplomatic missions abroad for Mutual Recognition Agreements with bilateral trading countries to enhance export in foreign market.

Photo: H.E. Ms. Nona Deprez, Ambassador of the Delegation of the European Union to Nepal.

"We cannot stop growing but we need to move forward in this pace of development along with other countries."

EU Ambassador highlighted that EU was already aware of the opportunities and challenges that Nepal faces and working through various projects to address these issues .
She states:
"We cannot stop growing but we need to move forward in this pace of development along with other countries .
Business cannot be as usual and we too must change as per the situations. Compliance with SPS as well as quality and standards of the EU is also good for Nepal's environment and health"
ITC has been running programs in Coffee and Pashmina to help Nepal through its different programs .
The issue is more important for The EU and that is why we are here today . The desire to support Nepal in graduation is very clear . Let's all sit to develop a strategy by analysis the positive impacts of graduation was her message to the audiences.

"At a time when all global firms are looking to de-risk and diversify , Nepal too must go together"

Photo: Kewal Bhandari, Secretary NPC (National Planning Commission)

Secretary Mr. Kewal Bhandari said that the discussions at this forum underlines the urgency of building productive capacity, removing supply-side constraints, and strengthening factors of production by building of trade-related productive capacity ,Quality compliance and branding . It is notable that growth in exports can translate into a significant boost in both GDP and employment with export-led growth strategy and Global Value Chain (GVC) integration. At a time when all global firms are looking to de-risk and diversify , Nepal too must go together and the National Planning Commission has almost completed Nepal's strategy.

"The door of the ministry is always open for discussions"

Photo: Mr. Madhu Marasani, Secretary MoICS

Secretary Mr. Madhu Marasani said the issue of approach and capacity also came up in the context of limited capacity we have on matters of international law, the trends as well as market access and preferences of destination markets . The doors of the ministry is always open for discussions . He praised Dr. Wagle's presentation and said he would draw many points from the presentation during next negotiations in March .He believed that the Nepal Trade Integration Strategy will guide us in responding to the trade-related challenges of graduation along with the needs to have a smooth graduation transition strategy in place so that potential disruptions from the graduation are minimized and its long-term goals are realized. Product diversification and adding technology to increase productivity is the need at present.

"Mutual Agreements on standards are very important.

Photo: C.A. Narayan Bajaj, President European Economic Chamber-Nepal

C.A. Narayan Bajaj, President EEC-Nepal said that we need to undertaking policy measures to improve our performance in capital-intensive and skill-intensive exports, more needed to be done to enhance Nepals labour-intensive exports. He further highlighted the need to enhance overall levels of competitiveness by upgrading logistics, by involving state and local administrations with an in-built mechanisms for pursuing cooperation on standards, for example, through Mutual Recognition Agreements on standards are very important.

From the Floor:

- The floor observed that there is a tendency to consider economic affairs almost entirely from the lens of economic gains and losses, with lesser focus on ascertaining their potential legal and regulatory implications.
- Trade agreements needed to reflect living realities with experience sharing with the concerns and priorities of enterprises who are actually participating in the international trade of goods and services as well as benefits to farmers should be reflected.
- Floor demanded that the challenges are there and together with the private sectors ,trade experts as well as support institutions should work together in making things happen.
- The need for more efforts required to publicize how much employment and growth can be generated, and how trade can help improve the standards of living for all in the longer term, even if there may be adjustment costs associated with trade in the short term.
- The government should bring effective and proactive subsidized schemes and technology support to motivate exports.
- Business promotional activities, facilitation for trade fair participation, business link-up, bilateral agreement, trade treaties, and organizing business meet to access potential international markets is needed .

The two Vice Presidents of EEC-Nepal Mr. Rajan Sharma facilitated as moderator while Mr. Siddhartha Rajbhandari gave the vote of thanks.

Overall Conclusion:

We cannot in any way remain as the actors of poverty ridden Nepal as well as support seekers and must stand on our own feet's .

We grow in spite of problem not beyond it . BUT , the right incentives and mandatory requirements for products and services based on destination market needs as well as Right policies and mind set towards export promotion and productivity enhancement is needed .

GALLERY- POLICY DIALOGUE FOLLOWED BY FELLOWSHIP DINNER