

OECD Trade Facilitation Indicators – Nepal

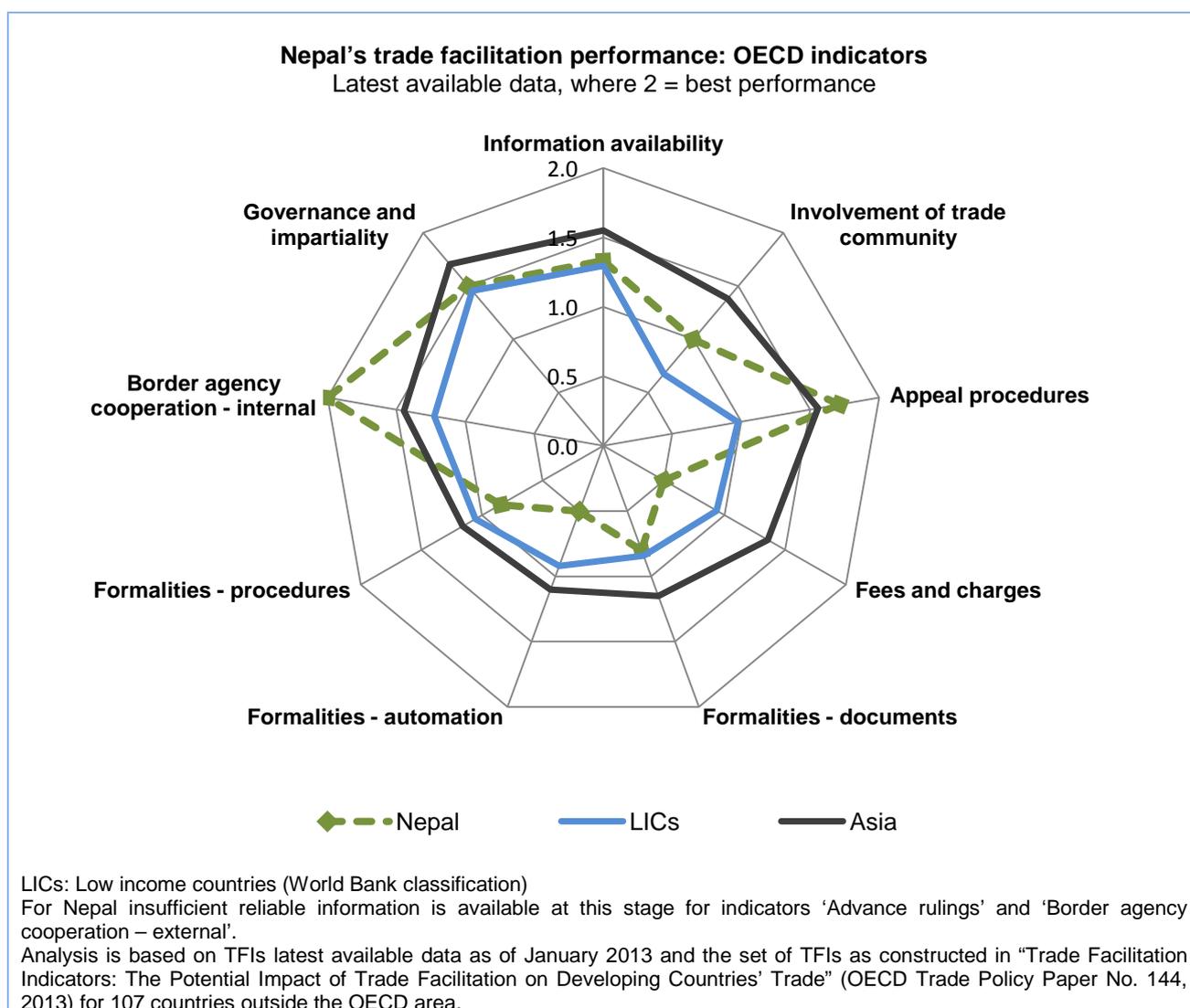
To help governments improve their border procedures, reduce trade costs, boost trade flows and reap greater benefits from international trade, OECD has developed a set of **trade facilitation indicators** that identify areas for action and enable the potential impact of reforms to be assessed.

Estimates based on the indicators provide a basis for governments to prioritise trade facilitation actions and mobilise technical assistance and capacity-building efforts for developing countries in a more targeted way.

OECD analysis shows that trade facilitation measures can benefit all countries in their role as exporters as well as importers, allowing better access to inputs for production and greater participation in the international trading system.

Nepal's trade facilitation performance

- Nepal performs better than the averages of Asian and low income countries in the areas of **appeal procedures** and **internal border agency co-operation**, according to OECD trade facilitation indicators.
- Nepal's performance for **fees and charges**, **automation** and **streamlining of procedures** is below the averages of Asian and low income countries.



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Areas for action in trade facilitation

OECD quantitative analysis for the group of low income countries, which includes Nepal, shows that the areas with the greatest impact on increasing bilateral trade flows and lowering trade costs are: **formalities (documents, automation, and procedures)** and **information availability**. The indicators **advance rulings, fees and charges**, and **governance and impartiality** also have a significant impact on trade flows. These indicators have a strong impact at the manufacturing trade level as well.

Taking into account the trade flow increase and costs reduction potential of the policy areas highlighted by the quantitative analysis, Nepal could draw considerable benefits in terms of trade volumes and trade costs from significant improvements in the areas of **fees and charges, automation and streamlining of procedures**. Continued efforts in the areas of **information availability, simplification and harmonisation of documents** and **governance and impartiality** would bring further benefits.

OECD Trade Facilitation Indicators

OECD has developed the following indicators to assess trade facilitation policies.

- *Information Availability*: Publication of trade information, including on internet; enquiry points.
- *Involvement of the Trade Community*: Consultations with traders.
- *Advance Rulings*: Prior statements by the administration to requesting traders concerning the classification, origin, valuation method, etc., applied to specific goods at the time of importation; the rules and process applied to such statements.
- *Appeal Procedures*: The possibility and modalities to appeal administrative decisions by border agencies.
- *Fees and Charges*: Disciplines on the fees and charges imposed on imports and exports.
- *Formalities-Documents*: Simplification of trade documents; harmonisation in accordance with international standards; acceptance of copies.
- *Formalities-Automation*: Electronic exchange of data; automated border procedures; use of risk management.
- *Formalities-Procedures*: Streamlining of border controls; single submission points for all required documentation (single windows); post-clearance audits; authorised economic operators.
- *Internal Co-operation*: Co-operation between various border agencies of the country; control delegation to Customs authorities.
- *External Co-operation*: Co-operation with neighbouring and third countries.
- *Governance and Impartiality*: Customs structures and functions; accountability; ethics policy.

Further reading

Read about the methodology, sources and findings from the OECD trade facilitation indicators in these two papers, available on our website: oecd.org/trade/facilitation

- **Trade Facilitation Indicators: The Potential Impact of Trade Facilitation on Developing Countries' Trade** (OECD Trade Policy Paper No. 144, 2013)
- **Trade Facilitation Indicators: The Impact on Trade Costs** – covering OECD member countries (OECD Trade Policy Paper No. 118, 2011)



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