

Priority for agro-product exports limited to paper only

Boosting agricultural production and exports for narrowing the trade deficit are priorities in all periodic plans and fiscal policies, but these priorities never get implemented in reality. Ginger is among several competitive products affected by such inaction.

India blocked the export of Nepali ginger at Kakarbhitta customs from Monday, and this is the second time an item with utmost potential for export to India has run into a hurdle over the last six months. The Indian authorities have not clearly stated the reason behind the obstruction this time.

Everyone knows there are mainly two problems involved -- lack of sanitary and phytosanitary (relating to plants) measures and export of only raw products like unwashed ginger. Lacking is a lab for testing and certification, as per the globally accepted practice. But the government tends to scramble into a response only when a problem surfaces, according to economists and private sector officials.

Besides ginger, tea, beetle nuts and several other agricultural products time and again face similar non-tariff barriers in India, but only blaming the Indians doesn't solve the problem, say experts. To make matters worse, the only ginger washing plant, which is at Duwagadhi in Jhapa, remains idle while the country even exports unwashed ginger to India citing the plant's low capacity.

Nepal should adopt Good Agricultural Practices (GAP) for making its products acceptable to India and other countries rather than just blaming others, said Posh Raj Pandey, a trade expert and executive chairman of South Asia Watch on Trade, Economics and Environment (SAWTEE).

GAP is a globally-accepted method endorsed by the Food and Agriculture Organization of the United Nations for application to on-farm production and post-production processes, and it results in safe and healthy food and non-food agricultural products, while also taking into account economical, social and environmental sustainability.

About 80 percent of the total ginger production is exported to India, and it is one of the top exports of the country. Ginger worth Rs 232 million was exported in fiscal year 2016/17, a negative growth of 55 percent in terms of value compared to the previous year. Nepal is the third largest ginger producer after Brazil and India. It is the third largest agriculture product exported to India after cardamom and jute.

Pandey said that neither the government nor the private sector is serious about addressing the issue and going for a standard way of exporting goods rather than depending on the mercy of India, which tends to obstruct such products to protect its own farmers. One thing Nepal can do is set up standard sanitary and phytosanitary labs which can pass muster with India, as well as go for processing to earn more foreign currency through value adding.

Government officials say they are taking the issue seriously but the current problem came about due to the largely informal mode of trading, which is controlled by middlemen. They also spoke of the need for integrated effort by several entities dealing with ginger or any other agro product. Private sector officials also say that the government's weak diplomacy leads to this kind of problem time and again. "Problems for our products occur time and again but the government's weak diplomatic dealings and lobbying with Indian counterparts is mainly to blame," said Hemant K Dabadi, former director general of the Federation of Nepalese Chamber of Commerce and Industry (FNCCI).

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“Indian importers who buy Nepali ginger are not licensed importers and the local units of FNCCI are carelessly issuing certificates of origin,” said Rabi Shankar Sainju, spokesperson at the Ministry of Commerce.

“We are really concerned about the problems farmers have to face because of the blockage of ginger exports,” said Sainju adding that they will discuss the matter at a Nepal-India bilateral meeting in March on issues of trade and commerce .

India had blocked exports of Nepali ginger for three weeks in July last year also, alleging adulteration with the mixing of Chinese ginger. Exports resumed after a lab report rejected sanitary and phytosanitary issues.

In the past also, India had imposed quotas on Nepali vegetable ghee.

Source: My Republica, 25th January 2018