

Prospects and Challenges of Trade Policy to Karnali Province Government

Chhetra Mani Timilsena

Assistant Prof., MU School of Management (MUSOM)

E-mail: chhetraacademia@gmail.com

Bhupal Bikram Kathayat

Assistant Prof., Graduate School of Management (MU)

E-mail: bnbkathayat@gmail.com

Abstract

The study intended to explore the prospects and challenges of trade policy to Karnali Province Government. The study was set up since there was no trade policy formulated by the Karnali Province Government till the date. The study has also consulted the trade policy of Uttar Pradesh and Bihar based on province level and India, China, and the United States as well for national level. It has been explored based on the major five constructs such as socio-economic condition, trade education, geographical condition, connectivity and networking as well as the government priority. The study adopted mixed method research design guided by pragmatic research philosophy. The primary data were collected from political leaders, businessmen, critics and think-tank and ordinary consumer of Karnali Province. The tool for data collection was questionnaire. The study found there are many challenges to Karnali Province government in terms of socio-economic condition, trade education, geographical condition and the connectivity and networking as well as the government priority, however the government can grab them as the opportunities by conducting relevant researches and consulting with all the stakeholders.

Keywords : *Prospects and Opportunities, Trade Policy, Realities of and Challenges of Karnali Province*

Introduction

Trade policy of any nation and state should be formulated and implemented for the prosperity of the nation or state. Nepal has been adopting an open and market oriented trade policy for the last two decades with expectations that such policy generates positive impacts on the resource mobilization, economic development and poverty alleviation (Trade Policy Review, 2018). However, the poor and backward countries are not able to realize the benefits of trade liberalization due to difficulties in accessing capital, technology and market, and the unequal economic levels existing among the various countries.

The Trade Policy, 1992 primarily covered export policy/strategy, import policy/strategy, internal export policy, and foreign exchange regulation, and internal trade policy, constitution of trade council, foreign trade policy and research institution, and establishment of Nepal Trade Promotion Organization. The Trade Policy, 1992 however, largely remained unable to address issues of international trade dynamism, affiliation with regional and multilateral trading system, expansion of bilateral free trade area, simplification of trade procedures and development of new transit system (Trade Policy, 2009).

The Karnali province government has been struggling to formulate trade policy because of its unique realities in terms of the socio-economic status, trade education, geographical condition, networking and connectivity and government priority. Karnali province government has both challenges and opportunities on the basis of the trade ground reality of the province. The business status of Karnali province also indicates the socio-economic status of it. The per capita income of Karnali is 606 whereas 1004 is in national level. There are just 3.8 Percentage banks and other financial institution in Karnali. It is identified as one of the Karnali province has been standing the poorest province in national standard (Karnali Pradesh Paswochitra, 2018).

Literature Review

Enforcement of sanitary and Phyto-sanitary (SPS) measures and technical barrier to trade (TBT) seem important for sustaining export trade. In the backdrop of the need of harnessing benefits stemming from the expansion in the market access opportunity, a comprehensive review of the trade policy is needed.

Shanker, (2003) in relation to the developing countries, China and economic institutions, Social Science Research Network highlighted the basic fundamentals for the trade development. Chinese officials note two major trends that have an effect on China's market economy and future development: world multi-polarization and regional integration (Balfour, 2004). The issues related to Indian Policy are as realized with the issues are as follows; is India capable of performing similar feats of economic growth and integration into the global economy? Can its manufacturing sector become a major producer of jobs and tradable goods? Can it take advantage of whatever opportunities the fitfully evolving global trading architecture may offer? (Puri 2017).

Procedure of Trade Policy Formulation

- i. Published a public notice in print media to collect feedback
- ii. Feedback collected and adjusted from a number of ministries, agencies and trade stakeholders
- iii. Final draft of Trade Policy 2015 was prepared through various rounds of meetings under the Chairpersonship of the Hon. Member of NPC (responsible for Commerce)
- iv. The final draft of Trade Policy 2015 was registered for approval from Council of Ministers, GoN on 12th July 2015
- v. Approved by the Economic and Infrastructure Committee, GoN

Vision Mission Goals and Objectives for Trade Policy

The vision is to achieve economic prosperity by promoting the support of trade sector to provincial economy through export promotion. The goal is to achieve wide-ranging and viable economic growth through export promotion. The objectives are to strengthen supply-side capacity, and minimize trade deficit by increasing exports of value-added competitive products and services in the world market and also to enhance access of goods, services and intellectual property to regional and world markets

Strategies Adopted for Trade Policy

Strategy to strengthen supply-side capacity, and reduce trade deficit by increasing exports of value-added competitive products and services in the world market are as government shall play the role of coordinator, facilitator and regulator to enhance active participation of the private sector, enhance competitive capacity of the products of comparative and competitive advantage for export promotion, reduce trade deficit by strengthening supply-side capacity, enhance the competitive capacity of exportable service sectors, reduce transaction cost through trade facilitation and institutional strengthening and mainstream trade in order to establish it as a major component of economy. The main strategy to increase access of goods, services and intellectual property to regional and world markets, expand market and enhance trade capacity by means of multilateral, regional and bilateral mechanisms and trade diplomacy, link trade in goods and services to regional and global production network by strengthening and making them competitive as well as complementary to each other and increase access of Nepalese products to world market by promoting and protecting trade related intellectual property rights.

Required or salient features of the trade policy

Role of the Government: Facilitator, motivator and regulator, enhancing competitive capacity of the products with comparative and competitive advantage for export promotion, reducing trade deficit by strengthening supply-side capacity, enhancing the competitive capacity of exportable service sectors, reducing transaction costs by means of trade facilitation and institutional strengthening, mainstreaming trade in order to establish it as a major component of economy, expanding market and enhance trade capacity by means of multilateral, regional and bilateral mechanisms and trade diplomacy, linking trade in goods and services to regional and global production network by strengthening and making them competitive as well as supplementary to each other, enhancing access of Nepalese products to world market by protecting and promoting trade related intellectual property rights.

Review of Chinese Trade Policy

So much has changed since China joined the WTO in late 2001. China has powered through the crisis with a turbo-charged fiscal and monetary stimulus equivalent to almost 45 per cent of GDP in 2009. It is the leading contributor to post-crisis global growth. Other countries around the world export raw materials and capital goods to power China's continuing industrial revolution (Sally, 2011).

China has a mixed record on WTO implementation; a flurry of litigation has followed several years of diplomatic reconciliation in dispute settlement; and China has been passive in the Doha Round. In contrast, it has been very active with PTAs, setting off a "domino effect" in east Asia. But its PTAs are "trade light", driven more by foreign policy than commercial considerations. Finally, unilateral liberalisation – the driving force of external opening in the 1990s – has stalled. There has been very little "WTO-plus" liberalisation, while measures of selective protection, especially related to foreign investment and industrial-policy targeting, have increased. China's response to the global economic crisis has reinforced these trends, but it does not represent a dramatic increase in protection or fundamentally reverse China's opening to the world economy (Sally, 2011).

Thus, the trade development strategy is the policy to stimulate production and trade of some sectors by changing the relative price of exportable and importable goods. The adopted strategy could be divided into two major phase, from 1980-2001 and 2001- onwards which is also known as the post-accession- to-WTO phase. China has transformed trade development strategy focusing on import substitution or export demand coordinated, import and export trade balanced strategy, under the framework of overall economic development blueprint. More specifically, from 2001 to date, China has been undergoing three stages in terms of trade policies, namely, fulfilling commitments to access to WTO and continued trade liberalization (2001-2005), trade policy adjustment and growth pattern transformation (2006- 2008), and addressing and recovering from the global financial crisis from 2008 to now (Bin, 2015).

State Trade Policy of Utter Pradesh and Bihar Government of India

The formulated policy of Utter Pradesh Government of India entitled 'Uttar Pradesh Retail Trade Policy 2016-2021' has been designed with the introduction of Utter Pradesh as Uttar Pradesh is strategically located sharing an international boundary with Nepal and is bordered by the Indian states of Uttarakhand, Himachal Pradesh, Mariana, Delhi, Rajasthan, Madhya Pradesh, Chhattisgarh, Jharkhand and Bihar.

The state has a population of 19.98 crore (as per population census - 2011), accounting for 16% of country's population, residing in 240928 km² of India's geographical area. Population density in UP (Uttar Pradesh) currently stands at 828 people per square kilometre, making it one of the densely populated states in India. Uttar Pradesh has abundant natural resources (limestone, dolomite, glass- sand, marble, bauxite, non-plastic fireclay, and Uranium), fertile land and river basins, water resources, extensive canal system and conducive agro-climatic conditions. At current prices, Gross State Domestic Product (GSDP) of Uttar Pradesh was ₹9,76,297crore in 2014-15. Between 2004-05 and 2013-14, average annual GSDP growth rate of Uttar Pradesh was 14.23% while average per capita income at (current prices) increased from ₹20,422 in 2008-09 to ₹37,630 in 2013-14. Advanced estimate for GSDP in 2014-15 is ₹4,92,384crore at current prices.

Similarly, Bihar enjoys a unique location-specific advantage because of its proximity to the vast markets of Eastern and Northern India and Nepal. The state is well connected to the rest of India and international markets through over 200,000 km of road network, 6,700 km of rail network and an international airport. The Golden Quadrilateral Highway passes through the districts of Kaimur, Sasaram, Aurangabad, Gaya, and Patna, connecting the state to major metro cities in the country. Eastern Dedicated Freight Corridor also passes through the state, providing access to ports in East India such as Kolkata and Haldia; to raw material sources, and mineral reserves in the neighbouring states.

Bihar currently has 52 industrial areas and mega industrial parks. The state has identified Agriculture, IT, electronics, textiles and leather as it high priority sectors. Other manufacturing sectors, power thermal and renewable, hospitality, communications and aquaculture are some of the fast-growing sectors in the state. India's first electric locomotive manufacturing facility, opened as a JV between Alstom and the Indian Railways, launched its first electric locomotive engine in March 2018.

Challenge in Global Context

The current scene of international trade and business is influenced from globalization however, globalization and trade present new opportunities, possesses challenges as well. Both developed and developing countries have distinct challenges and opportunities. Developing countries may struggle to

compete on a global scale for many reasons. They are such as inefficient or inadequate systems of transportation, logistics, or customs; poor connectivity in telecommunications, financial markets or information technology; complicated regulatory environments that discourage new investments and anticompetitive behavior by major market players or cartels that stifle innovation, productivity, or market growth (www.worldbank.org).

The increasing complexity of trade has serious implications for the world's poor, who often are disproportionately disconnected from global, regional – or even local – markets. Poverty is often concentrated in geographic areas that are poorly connected to active economic centers. Firms and communities in these areas miss opportunities to develop skilled, competitive workforces; they are not integrated in global production chains and are less able to diversify their products and skills.

There are also distributional consequences of increasing trade. While on aggregate, economies gain enormously from increasing trade, as competition increases and many good jobs are created in export sectors—the wages of workers in import-competing industries may suffer or some workers may lose their jobs (World Bank, 2021).

Realizing the fact that foreign trade is an appropriate means for rapid economic development, Nepal is giving importance to the sustainable development of the external sector adopting trade promotion policies in different times. Despite the implementation of a number of policy and procedural reforms to promote the trade sector, several problems are still in existence. Therefore, policies adopted till now are not sufficient. Given the difficult geographical situation, Nepal's external sector policy should focus on rapid development in infrastructure, establishment of industries that utilize local resources and fulfill local needs as well as can have production surplus to export, creation of tourism friendly environment and massive promotional activities for tourism, etc. More specifically, the trade policy of the Karnali Province seems to be more specific and different on to the focus area of the trade and commerce. According to the federal system of Nepal, every Province should have their own trade plan and policies which do not seem in practice.

The federal system in Nepal has to bring various reformulations and restructurings in trade. There are many issues and challenges in the revised Trade Policy, 2009 of the government of Nepal. The trade policy of Provincial Government has to be specified from the detail feasibility and need analysis of the local resources and realities. The trade policy of the Provincial Government of Karnali Province seems to be more specific and different on to the focus area of the trade and commerce. According to the federal system of Nepal, every Province should have their own trade plan and policies which do not seem in practice. This gap between the requirement and lacking encourages us to carry out this study. This province is poor in case of per capita income and purchasing power parity of the people's Karnali province. There is no doubt to carry out many researches and studies on trade policy should be done for the long term and short plan and policies.

Realities of Karnali Provinces

Karnali Pradesh is formed by the new constitution which was adopted on 20 September 2015. It is one of the seven federal provinces of Nepal. The total area of the province is 27,984 square kilometres (10,805 sq mi), making it the largest province in Nepal. According to the 2011 Nepal census, the population of the province was 1,570,418, making it the least populous province in Nepal. It borders the Tibet Autonomous Region of China to the north, Gandaki Pradesh to the east, Sudurpashchim Pradesh to the west, and Province No. 5 to the south. Birendranagar with a population of 47,914 is both the province's capital and largest city.

Karnali is an old civilization in Nepal and is connected with the Karnali River. Archaeological sites found in Jumla, Surkhet and Dailekh infer that the area was part of the old Khasa kingdom which was established during the 11th century. The capital of the Khas Kingdom was Sinja in present day Jumla District. The kingdom expanded to a great extent in the 13th and 14th century; expanding to Garhwal in the west, Mansarowar and Guge regions of Tibet in the north, Gorkha-Nuwakot regions in the east and Kapilvastu with large areas of Terai in the south. After the late 14th century, the Khas empire collapsed and was divided into the BaiseRajya (22 principalities) in Karnali-Bheri region.

Before the unification of modern Nepal, a part of Karnali (from Karnali River to Bheri River) was in the SanghiyaBaiseRajya (22 principality confederacy). The principalities were sovereign, but intermittently allied among themselves until they were annexed during the unification of modern Nepal from 1744 to 1810.

Karnali is believed as less developed and back warded province. Taking its name from famous Karnali with capital city Surkhet, this province is least developed in terms of physical facilities developed and Human Development Index. The entire province lack good connectivity and the large potentialities untapped. Largely known as the home of Himalayan Ayurvedic Plants, the high value medicinal plants can be the source for prosperity in the region. This is region falls under highly food insecurity region, which is mainly because of rice eating behavior (Development Vision Nepal, 2018).

The geographical location and administration of this area has been talking it as a rural location. However, there is another reality of Karnali. It is full of natural resources. The water, herbs and other potentialities have made this province as the treasure for the all-round development. There are a number of ways to categorize the provincial resources like Physical Resources, land and production possibilities, human resources, agricultural possibilities, hydor potentiality as well as biodiversity and natural resources.

Hence, resource potentiality analysis of Karnali Province is an attempt to provide a basis for understanding the resource utilization. Resource analysis is a strategic planning tool which considers the resources required to support particular strategies, and those needed to gain 'competitive' advantage; and along with the required competencies to effectively use those resources. It is important mainly to identify the availability of valuable resources as well as its proper use. It also helps to determine the suitability of resources for its productivity, employment generation and relationship with other factors.

Promotion of the tourism sector in Karnali has more possibilities for NGOs. Tourism promotional products are pilgrims and spiritual places, hot springs, cultural diversity, high Himalayan, largest and dippiest Lake of Nepal adding beauty for the possibilities of tourism. The study also found that Nepal government established Karnali Tourism Board to develop tourism in Karnali for sustainable holistic development. Special budget allocation could support to change the socio-economic transformation of the people through tourism (Mahat, 2014).

Variable wise description

The five variables as presented in conceptual framework such as socio-economic status, trade education, geographical condition, connectivity and networking and government priority with reference to Karnali province government were the main variables of the study. They are as follows:

Socio-economic Status

Karnali province possesses the low socio-economic status, however there are many opportunities and possibilities. The statistics of Karnali province government and province planning commission has presented the socio-economic status of Karnali province. In the total GDP of Nepal the province has contributed 3 percentage only. In internal revenue, Karnali just contributes 0.3% only (Karnali Pradesh Parswochitra, 2019)

Trade Education

Trade education is the part of management education of school and university level as well as the business and vocational training center. The management education of National Educational Board, CTEVTE, Mid West University, Tribhuvan University and some training center have been providing trade education. The overall scene of education in Karnali is pathetic (Karnali Pradesh Parswochitra, 2019).

Geographical Condition

Geography has been considered a decisive factor in different fields of business performance (Sanchez-val, 2018). The geographical condition matters in the sense that the availability of resources, transportation as well as climate also strongly influences the trade.

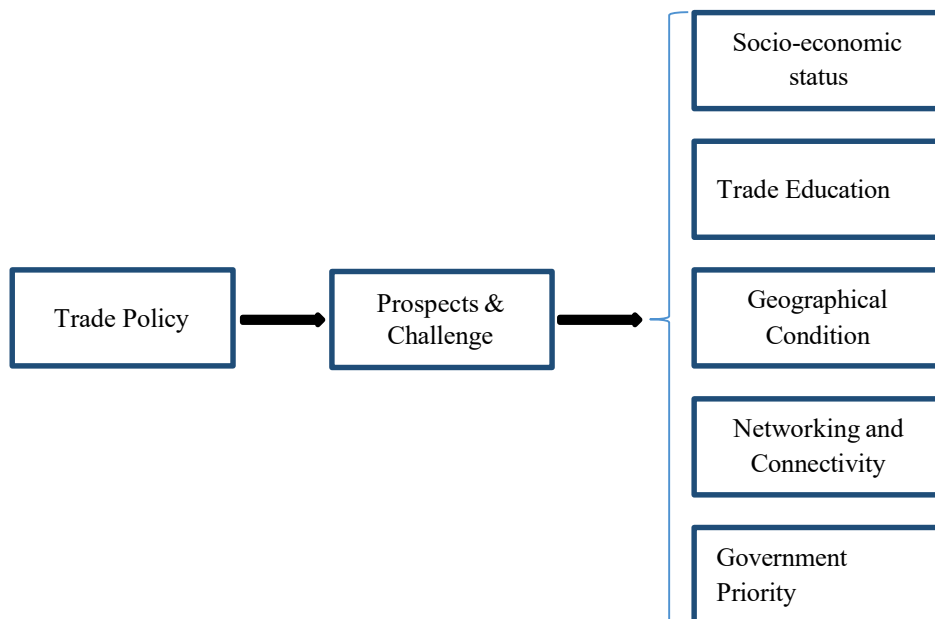
Networking and connectivity

Networking and connectivity are essential elements of trade and business. Business networking is the process of establishing a mutually beneficial relationship with other business people and potential clients or customers. Business networking benefits are the intangible gains made by communicating with other professionals in or relating to your industry. In Karnali province the internal networking with Lumbini province and Sudurpaschim province at one hand and on the other the good opportunity to promote international trade with China through Hilsa border.

Government Priority

Government priority is one foundational component of trade policy in terms of policy formulation and application of it. What kind of trade policy is formulated based on the government priority. Karnali province government has neither formulated policy nor conducted workshop, seminar and studies.

Conceptual Framework



Result and Discussion

The result of the study has been derived on the basis of the perception and understanding of the various stakeholders the review of the various previous studies as well. The analysis of the responses of the respondents are as follows:

Demographic Features of the Respondents

Table 4.1.1
The division of respondents in terms of their profession

SN	Respondents Division	Number of Respondents	Percentage
1	Political Leader	80	31.37
2	Businessmen	60	23.53
3	Critics and Think-tank	70	27.45
4	Ordinary Consumer	45	17.64
	Total	255	100

(Field Survey, 2020)

The total respondents of the study were 225 out of which 31.37% were political leaders, 23.53% were businessmen, 27.45% were critics and think-tank and 17.64% were ordinary consumer.

Table 4.1.2
Respondents Qualification

SN	Respondents Qualification	Number of Respondents	Percentage
1	School Level	59	23.14
2	Bachelor	95	37.25
3	Master	85	33.33
4	M Phil	11	4.31
5	PhD	5	1.96
	Total	255	100

(Field Survey, 2020)

The table projects the respondents on the basis of their academic qualification. The qualification of respondents was categorized in terms of their academic qualification into school level, bachelor, master, Mphil and PhD. Out of total 255 respondents, 23.14% were from school level, 37.25% were from Bachelor, 33.33% from Master, 4.31 from MPhil and 1.96% from PhD.

Table 4.1.3
Respondents Gender

SN	Gender	Number of Respondents	Percentage
1	Male	165	64.70
2	Female	90	35.30
	Total	255	100

(Field Survey, 2020)

The study comprises 64.70% male and 35.30% female proportionally from political leaders, businessmen, critic and think-tank and ordinary consumers.

Variable wise Result and Discussion

The study interprets the trade policy of Karnali Province in terms of its prospects and challenges. The prospects and challenge are specified as scio-economic status, trade education, geographical condition, networking and connectivity and government priority.

Table 4.2.1
Socio-economic Status

SN	Questions	Number of respondents Yes (%)	Number of respondents No (%)
1	Is socio-economic scenario of Karnali Province favorable for investment?	95 (37.26)	160 (62.74)
2	Do the people are culturally equipped for business and trade?	70 (27.45)	185 (72.55)
3	Has the business and trade promoted the life style of Karnali People?	100 (39.22)	155 (60.78)
4	Is socio-economic status important for business and trade?	230 (90.19)	25 (9.81)
5	Should the trade policy be formulated by analyzing socio-economic status of the people?	250 (98.04)	5 (1.96)

(Field Survey, 2020)

The table in overall displays that the socio-economic status of Karnali province is not suitable for the trade and business. Out of total 255 respondents 62.74% denied that the socio-economic scenario of Karnali Province is favorable for investment. Similarly, 72.55% respondents said the people of Karnali province not culturally equipped for business and trade. Furthermore, according to 60.78% respondents the life style of Karnali people has not been promoted by the business and trade. However more than 90% respondents believe that the socio economic status plays vital role for trade and business. Likewise, almost all the respondents (98.04%) accept while formulating the trade policy, the socio-economic status of the people should be taken in to consideration.

Table 4.2.2
Trade Education

SN	Questions	Number of respondents Yes (%)	Number of respondents No (%)
1	Have you heard the term trade education?	187 (73.34)	68 (26.66)
2	Are there sufficient content and subject matter about business and trade in school and university curriculum?	151 (59.22)	104 (40.78)
3	Are the theories studied in school and college applied in real business life?	40 (15.69)	215 (84.31)
4	Does trade education support to formulate trade policy?	190 (74.51)	65 (25.49)
5	Are there any other bodies to provide trade education?	107 (41.96)	148 (58.04)

(Field Survey, 2020)

Trade education is another important prospect and challenge for trade policy. Majority (73.34%) of the respondents have heard this term. Similarly, in case of the content and subject matter about business and trade in school and university curriculum, 59.22% of total respondents responded that there is sufficient subject matter of trade education. However the biggest issue is according to above data is the

theoretical education lacking the real life application. Majority (74.51%) of respondents confirmed that trade education support to formulate trade policy. However 41.96% respondents accept that there are other bodies to provide trade education.

Table 4.2.3
Geographical Condition

SN	Questions	Number of respondents	Number of respondents
		Yes (%)	No (%)
1	Is Karnali geographically suitable for business and trade?	110 (43.14)	145 (56.86)
2	Are there sufficient infrastructure for trade and business?	90 (35.30)	165 (64.70)
3	Has the government implemented local resource based policy?	50 (19.61)	205 (80.39)
4	Does geographical condition make impact in trade and business?	135 (52.94)	120 (47.06)
5	Is Chinese geography better than Indian for Business and trade in Karnali Province?	160 (62.74)	95 (37.26)

(Field Survey, 2020)

Business and trade is influenced by the geographical location and condition. Only 43.14 accepted the geographical condition of Karnali is suitable for trade and business. Similarly, according to 64.70% respondents, the infrastructure of Karnali Province are not sufficient. Similarly, very few (19.61%) respondents confirmed that the government has implemented local resource based policy. Majority (52.94%) of respondents considered geographical condition impacts in trade and business. Regarding the international business and trade Chinese geography is more favorable in comparison to other location and geography.

Table 4.2.4
Networking and Connectivity

SN	Questions	Number of respondents	Number of respondents
		Yes (%)	No (%)
1	Is there suitable networking and connectivity for the promotion of trade and business of Karnali Province?	105 (41.18)	150 (58.82)
2	Is import and export ratio satisfactory?	30 (11.77)	225 (88.23)
3	Is delivery and transportation of goods and service as per the realities of Karnali.	93 (36.48)	162 (63.52)
4	Are business treaties and agreement between government and businessmen fruitful for appropriate trade policy of the government?	45 (17.65)	210 (82.35)
5	Are there inside and outside work, seminar conference conducted for the networking and connectively?	60 (23.53)	195 (76.47)

(Field Survey, 2020)

The table displays that majority (58.82%) of the respondents does not think that the status of networking and connectivity for the promotion of trade and business of Karnali Province. Similarly, the ratio of import and export in Karnali Province is not satisfactory for majority (88.23%) of the respondents. In case of delivery and transportation, the reality of Karnali, according to majority

(63.52%) respondents have not been addressed and implemented. Similarly only 17.65% respondents showed their agreement on the business treaties and agreement between government and businessmen in terms of fruitful for appropriate trade policy of the government. In the same line, the Karnali province government according to the majority (76.47%) of the respondents confirmed that there has not been seminar, conference conducted inside and outside for the networking and connectively.

Table 4.2.5
Government Priority

SN	Questions	Number of respondents Yes (%)	Number of respondents No (%)
1	Has the government placed trade and business in the top priority in policy level?	32 (12.55)	223 (87.45)
2	Are the businessmen and traders happy with the government facilities to business?	60 (23.53)	195 (76.47)
3	Has the government organized the research based study in Karnali?	55 (21.57)	200 (78.43)
4	Does the government consult with different stakeholder of Karnali Province and federal government?	58 (22.75)	197 (77.25)
5	Should the province government formulate unique trade policy?	207 (81.17)	48 (18.83)

(Field Survey, 2020)

The table above displays that the government has not placed trade and business in the top priorities in policy level. The majority (87.45%) respondents confirmed that the government has not placed the trade and business in the top priority. Likewise, 76.47% respondents claimed that the businessmen and traders are not happy with the government facilities to business sectors. In the same line, more than 78% respondents denied the statement that the government organized the research based study in Karnali. Regarding the consultation of province government with the various stakeholder, the effort of Karnali government is convincing only for 22.57% of the total respondent. All most all (81.17%) the respondents agreed that every province government has to formulated and apply the unique trade policy based on their realities.

Major Findings of the Study

1. The study in overall found that the socio-economic status of Karnali province is not suitable for the trade and business.
2. The trade education is not the new term for the concerned stake holders of Karnali Province however it is more theoretical and possesses many more challenges in application.
3. Geographical condition, infrastructure, local resources have not properly developed for the trade and business furthermore Chinese geographical realities are favorable for Karnali Province Government.
4. The study found that the networking and connectivity in terms of various factors such as import and export balance, delivery and transportation, treaties and agreements as well as workshops and seminar are not performed satisfactorily by the province government.
5. The government has not placed the trade policy into its top priority in terms of policy formulation, consultation, utilization of local goods and services.

Conclusion and Recommendation

The study concludes the socio-economic status of Karnali province is not suitable for the trade and business. The trade education and geographical condition, infrastructure and local resources are more challenging. Furthermore, Chinese geographical realities are favorable for Karnali Province Government. The study found that the networking and connectivity in terms of various factors such as import and export balance, delivery and transportation, treaties and agreement as well as workshops and seminar are not performed satisfactorily by the province government. Last but not the least, the government has not placed the trade policy into its top priority in terms of policy formulation, consultation, utilization of local goods and services.

References

- Balfour, F. (2004). Chinese reform picks up speed, *Business Week*, March 8, 46.
- Bin, S. (2015). China's Trade Development Strategy and Trade Policy Reforms. *International Institute for Sustainable Development*. Manitoba, Canada R3B 0T4.
- Hardeep, S P (2017) India's Trade Policy Dilemma and The Role of Domestic Reform: Carnegie, India.
- Hausmann, R., C.A. Hidalgo, S. Bustos, M. Coscia, S. Chung, J. Jimenez, A. Simoes, and M.A. Yildirim. *The Atlas of Economic Complexity*. Cambridge, MA: Puritan Press, 2011.
- Hidalgo, C.A., B. Klinger, A. L. Barabási, and R. Hausmann. "The Product Space Conditions the Hidalgo, César A., and Ricardo Hausmann. "The Building Blocks of Economic Complexity." *Proceedings of the National Academy of Sciences of the United States of America* 106, no. 26 (2009): 10570–75.
- Karnali Province Government Karnali Province Planning Commission (2019). *Karnali Pradesh Parswochitra*. Surkhet, Nepal.
- Lamsal et.al. (2016) *Statistics of Nepal, Opportunities and Challenges for the Sustainable Development Goals: National Planning Commission Secretariat Nepal*, 15-16 June, 2016.
- Ministry of Commerce and Industry Department of Commerce, Government of India (2017 updated): *Foreign Trade Policy*. Mid Term Review. Delhi India.
- Ministry of Commerce and Supplies Singh Durbar, Kathmandu, Nepal (2010). *Trade Policy: Government of Nepal*.
- Puri, H.S. (2017) *India's Trade Policy Dilemma and the Role of Domestic Reform: Carnegie India*.
- Sally, R. (2011) *Chinese Trade Policy After (Almost) Ten Years In The WTO: A Post-Crisis Stocktake*. ECIPE. Brussels, Belgium.
- Shanker, D. (2003). Developing countries, China and economic institutions, *Social Science Research Network*, Retrieved on January 30, 2010 from http://papers.ssrn.com/so13/papers.cfm?abstract_id=277928
- United States International Trade Commission 449 *Development of Nations*. *Science* 317, no. 5837 (2007): 482–87.
- World Bank Report (2008). *GDP and economic indicators of China*, Retrieved on April 10, 2021 from <http://www.worldbank.org>. <https://www.worldbank.org/en/results/2018/04/03/stronger-open-trade-policies-enables-economic-growth-for-all>
- China Inflation Rate, *Trading Economics*, Retrieved January 19, 2010, From <http://www.tradingeconomics.com/Economics/Inflation-CPI.aspx>