

**Statement to be delivered by H.E. Deepak Dhital, PR/Ambassador of Nepal
on the agenda item 2 of the Trade and Development Board Meeting: ‘The Least De-
veloped Countries Report 2018: Entrepreneurship for Structural Transformation –
Beyond Business as Usual’
Geneva, 4 February 2019**

Mr. President,

Dr. Mukhisa Kituyi, Secretary-General of UNCTAD,

Excellencies,

Dear Colleagues,

At the outset, let me thank the Secretary General for his opening remarks, highlighting the current state of affairs in the LDCs. My delegation also appreciates Mr. Paul Akiwumi, Director of the ALDC and Mr. Rolf Traeger, chief of the LDC section of UNCTAD for their comprehensive presentations on the report of this year.

I associate my statement with the statements of the Group of 77 and China, and the Group of the Least Developed Countries (LDCs).

Mr. President

The basic challenges facing the LDCs are structural transformations of their narrow base economies, increasing productive capacities in all potential sectors and addressing the supply side constraints for increased basket in export trade. There is also a need to promote investments in critical infrastructure, and industries that produce goods and services for exports in the competitive international market.

The role innovation and entrepreneurship play in addressing the above challenges and developing efficiency in the economic growth and development of the LDCs is immense. Innovation and entrepreneurship, in fact, can become important software, and when mixed with science and technology, can do magic for the uplift of the LDCs.

As we approach the final years in the implementation of the Istanbul Program of action (IPOAs), the progress made in the achievements of the IPOA goals remain far less than sat-

isfactory. Only a few LDCs have met the criteria for graduation as against the ambitious goal of graduating 50 percent of the LDCs by 2020. The share of the LDCs in the global exports has dwindled to below 1% as against the set target of doubling it. Given the slow down in the growth of the global economy and trade and the reduction in the development assistance and foreign direct investment – two important sources of development financing, many of the LDCs would face formidable challenges to meet the goals and targets set by the 2030 agenda for sustainable development.

Softer but enabling factors such as innovation, entrepreneurship and technology transfer are therefore the areas which can play a compensatory role in upholding the growth and vitality of the LDC economies in this time of looming uncertainty.

In this respect, we appreciate the formal inauguration of the Technology Bank on 04 June last year in Gebze, Turkey. We are keenly observing its full operationalization for addressing the pressing needs of Least Developed Countries based on their ground realities. The needs of least developed landlocked countries like Nepal where green energy and green growth potentials are abundant may, for example, are different from others.

In Nepal, we have mainstreamed the 2030 Agenda into our national plans and policies. The 14th periodic plan, the national budget, and other sectoral plans have been closely aligned with the SDGs. To timely achieve the internationally set goals, it is important to achieve structural transformation of our existing economic, social and environmental dimensions through innovative ways and means. This entails transforming productivity in agriculture, manufacturing and services and leveraging the sale of goods and services thus produced with the markets demands. Entrepreneurship development is thus an indispensable key for productivity and sustainable development.

Mr. President,

Manufacturing sector contributes around 6 percent to the GDP in Nepal, whereas agriculture covers 27.6%, and provides employment to more than 2/3rd of the population. When we compare it with the rest of the world, the agriculture sector's GDP contribution on an average in LDCs is 22 %, and just 1.3 and 8.5 per cent in Developed Countries and other devel-

oping countries, respectively. In view of this, transforming the agriculture sector as a whole, and the narrow base entrepreneurship into broader non-farm entrepreneurship for productivity growth is an imperative for us.

After a gap of several years, the country's economy achieved a growth of 7.4 per cent in fiscal year 2016-17, and similarly it is expected maintain growth in fiscal year 2017-18 also. After the promulgation of constitution in 2015 and having undergone a series of elections to all the tiers of the federal government, Nepal has achieved political stability following which economic development and prosperity have come into the centre stage. The long-term development motto of the present government is "*Prosperous Nepal, Happy Nepali*". *Partnership and cooperation are keys to achieving this goal.*

Cognizant of the importance of foreign direct investment in the overall development of the country, the government of Nepal is scheduled to organize *Nepal Investment Summit* (NIS) on 29-30 March 2019. The Government has kept all doors open to welcome potential investors in this summit and make their expressions of interests.

We have recently brought out several schemes to stimulate youth and women entrepreneurs. Low cost start-up loans to youths who return from foreign employment and the president women entrepreneurship development programme are some examples. Innovation in green energy, green growth, tourism and agriculture that can tap on the fabulous biodiversity available in all nooks and corners of the country, are clear possibilities.

In closing, Nepal stands ready to join hands with all relevant stakeholders in pursuit of implementation and follow-up of the report findings. We take all the recommendations of this report very positively. My delegation admires and attaches high value to all flagship publications of UNCTAD, including this one, and its particular focus on mainstreaming the findings for implementation.

I thank you for your kind attention.