# Business

## New renewables undercut fossil fuel on cost

Reuters
*London, June 22*

The cost of renewable energy sources is undercutting that of new and some existing coal-fired power plants, a report by the International Renewable Energy Agency (IRENA) showed today.

Due to cheaper renewable energy, up to 800 gigawatts (GW) of existing coal-fired capacity could be replaced by new renewables capacities, which would save up to $32 billion a year and reduce carbon dioxide emissions by up to three gigatonnes.

"As costs for solar photovoltaic (PV) and onshore wind have fallen, new renewable capacity is not only increasingly cheaper than new fossil fuel-fired capacity, but increasingly undercuts the operating costs alone of existing coal-fired power plants," IRENA said in its annual renewable power generation costs report.

Phasing out coal burning is seen as key to meeting a Paris Agreement commitment to curb the global average temperature rise to below two degrees Celsius this century. The IEA forecast global coal demand would fall by about eight per cent in 2020.

Last year the global weighted-average levelised cost of electricity (LCOE) from new capacity additions of onshore wind fell by 13 per cent compared to 2019, while the LCOE of offshore wind dropped by nine per cent and utility-scale solar PV by seven per cent, the report showed.

The LCOE comprises the cost of generating a megawatt hour of electricity, plus the upfront capital and development cost, financing costs, and operating and maintenance fees.

Between 2010 and 2020, the LCOE of utility-scale solar PV for new projects fell by as much as 85 per cent, while onshore wind was down 56 per cent and offshore wind fell 48 per cent.

In Europe, new coal-fired power plant operating costs are well above the costs of new solar PV and onshore wind, including the cost of carbon prices.

In the United States and India, operating costs for new coal plants are lower than renewables because there is no significant price on carbon emissions.

However in the United States between 77 and 91 per cent of existing coal-fired capacity has operating costs estimated to be above the cost of new solar or wind power capacity, while in India, the figure is between 87 and 91 per cent, the report said.

AP

**A woman looking at a homeless man sleeping on the ground, at Hamra trade street, in Beirut. With virtually no national welfare system, Lebanon's elderly are left to fend for themselves. Lebanon is one of only 16 countries in the world with no pension scheme for private sector workers in case of old age, disability and death.**

## Google's conduct in digital ad tech sector probed

Associated Press
*London, June 22*

European Union regulators have launched a fresh anti-trust investigation of Google, this time over whether the US tech giant is stifling competition in digital advertising technology.

The European Commission said today that it has opened a formal investigation into whether Google violated the bloc's competition rules by favouring its own online display advertising technology services at the expense of rival publishers, advertisers and advertising technology services.

The commission, the EU's executive arm and the bloc's top antitrust enforcer, is looking in particular at whether Google is restricting access by third parties to user data for ad purposes on websites and apps.

"Thousands of European businesses use our advertising products to reach new customers and fund their websites every single day," Google said in a prepared statement. "They choose them as they're competitive and effective. We will continue to engage constructively with European Commission to answer their questions and demonstrate the benefits of our products to European businesses and consumers."

The investigation signals a renewed effort by Margrethe Vestager, the EU commission's competition chief and executive vice-president for digital, to rein in Google's market power. She has already slapped Google with a total of 8.2 billion euros worth of fines in three separate anti-trust cases. There was criticism, however, that the fines were not much of a deterrent because the firm could easily afford them.

EU Commission said it was probing ways Google uses technology to broker display ad sales between online advertisers and publishers.

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### SCBN banking APIs

KATHMANDU: As a part of its digital initiatives, Standard Chartered Bank Nepal has launched API (Application Programming Interface) banking in Nepal. The bank has gone live with the first API banking with one of its global clients in the country, as per a media release. In Nepal, Standard Chartered Bank has launched Account Enquiry, Notification and Move Money APIs. Using these APIs, the bank's customers can get real time notification of transaction status, avail of bank statements in SWIFT standard format which can be consumed for various purposes and can also initiate domestic payment request through their own APIs. — HNS

### Medical aid arrives

KATHMANDU: In coordination with the Atlas Group, National Airlines transported aid of USAID to Nepal for the first time with B747-400F. The total weight of the cargo flight was 50 tonnes and comprised urgent medical aid for Nepal. The Boeing 747-400 Freighter was loaded with PPE supplies and oxygen concentrators. The flight departed the Travis Air Force Base, in Solano County, California, on Friday and landed here at the Tribhuvan International Airport the next day, as per a press statement. — HNS

### Free jabs for tourists

DUBAI: Abu Dhabi, the capital of the United Arab Emirates, is offering tourists free COVID-19 vaccinations that were previously restricted to UAE citizens and residency visa holders. There is no indication the change applies to Dubai or the other five emirates that make up UAE. — Reuters

## Nepal can leverage implementation of TFA to attract more investment into the economy

A joint agency of the United Nations and of the World Trade Organisation, International Trade Centre (ITC) is implementing the EU-Nepal Trade and Investment Programme (TIP), a four-year trade-related technical assistance project in Nepal funded by the European Union, in collaboration with the Nepal government. Among other interventions, EU-Nepal TIP is supporting the Nepal government in enhancing the national trade facilitation environment, also through supporting national institutional and technical capacities to implement the WTO Trade Facilitation Agreement (TFA). **Mohammad Saeed**, senior trade facilitation adviser of ITC, shared with ***The Himalayan Times*** the importance of trade facilitation and how Nepal can benefit from TFA implementation. Excerpts:

### Why is the concept of trade facilitation important for international trade, and which are the key objectives of the TFA?

In today's world, where international trade is increasingly conducted in fast-paced global value chains, time is of the essence. The speed at which a product is brought from the factory in the country of origin to the shelves in the destination market is of paramount importance for buyers and consumers, who demand just-in-time delivery and reliability of trade processes. However, the cost factor is also a crucial element that determines the competitiveness of a product and, subsequently, of firms, especially small and medium enterprises (SMEs).

According to estimates of the WTO, in developing countries, for each US dollar it costs to make a product, it costs a further $2.19 to bring it to consumers, compared to developed countries where this cost is reported at $1.34. Cross-border inefficiencies, captured by direct and indirect costs that traders need to bear for exporting or importing their goods, have thus an enormous impact on the business competitiveness and, at large, on the trade environment of a country.

This is where the trade facilitation concept comes into play to make a difference for efficient and competitive businesses. In its broadest sense, trade facilitation is a comprehensive set of actions to reduce the time and cost of cross-border trade. It involves reforms in border and behind-the-border operations, including the reliability, predictability and efficiency of transportation infrastructure and logistics operations, as well as of customs and border management regulations and procedures.

The WTO TFA is a landmark multilateral agreement entered into force on February 22, 2017, and which all WTO members such as Nepal are mandated to implement. The TFA specifically aims at tackling those inefficiencies that result from lengthy, redundant and outdated border formalities and procedures. Its key objectives include the simplification, harmonisation, modernisation and, to the extent possible, automation of border regulatory and administrative procedures, as well as fair and non-discriminatory access to export, import and transit-related information.

This agreement, which Nepal ratified on January 24, 2017, is a remarkable achievement of the multilateral trade community, which has joined hands to cut red tape at the border and boost global trade by expediting the movement, clearance and release of goods.

### What are the benefits that a landlocked least-developed country like Nepal can derive from the implementation of the TFA?

The WTO estimates that full implementation of the TFA could lead to a 50 per cent average reduction in trade delays, and 14 per cent average decrease in trade costs. LDCs such as Nepal expected to see the biggest reduction in these trade costs (approximately 17 per cent), and thus to reap the biggest benefits. These estimates also predict that trade gains from TFA could translate in over $1 trillion yearly increase in global exports, with developing countries' trade increasing by 9.9 per cent. Especially for LDCs, the TFA is a pathway to increased export diversification and opportunities for firms to participate in global value chains.

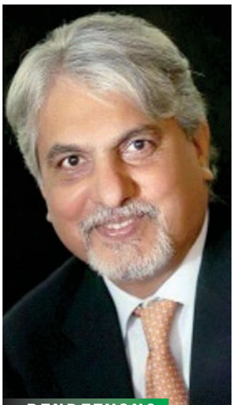
By making the business environment more efficient, transparent and conducive, Nepal can leverage the implementation of the TFA to enable a greater presence of its SMEs, especially those in the agricultural and manufacturing sectors, in global value chains, as they are found to pay disproportionately the price of cross-border trade costs and inefficiencies, and to attract more investment into the economy.

Increased efficiency and predictability of export, import and transit procedures, reduced administrative complexity to comply with border regulations and procedures, and curbed clearance and release time of goods, while safeguarding the country's right to apply border controls for legitimate public policy objectives, are all key benefits that the TFA implementation would bring to Nepal's private and public sectors alike.

Moreover, in light of its land-locked nature, Nepal can gain better access to markets through improved transit provisions. The TFA reaffirms not only that transit is a right of land-locked countries but also codifies the discipline to make transit efficient and resultantly reduce the time and cost of transit cargo.

Article 11 of the TFA contains detailed provisions for facilitating transit, aimed at minimising the number and complexity of transit-related procedures and documentation requirements, and consequentially the cost of transporting goods from Nepal to the rest of the world through neighbouring countries.

### What are the factors that will determine successful implementation of the TFA, and what can Nepal learn from other countries that have successfully implemented the agreement?



· RENDEZVOUS

Courtesy: ITC

The occurrence of cumbersome border procedures are also partly due to the lack of coordination among border regulatory agencies, which at times request the same information or documentation to traders, and apply unnecessary or redundant inspections at the border. One of the key success factors for a meaningful implementation of the TFA surely counts on a high degree of inter-agency cooperation among border regulatory agencies which regulate international trade procedures to streamline processes, and facilitate compliance with regulatory and administrative requirements.

Although the customs administration plays a central role in border procedures, and the TFA contains many customs-centric provisions, all agencies responsible for border management — the quarantine agency, the police, the immigration authority and other concerned institutions — play an equally pivotal role in facilitating trade. All these agencies must adopt a coordinated approach among each other to expedite trade flows, while maintaining a balance with border compliance requirements.

Moreover, it is critical that the TFA, and ensuing trade facilitation reforms, are implemented according to a 'whole of supply chain' perspective, whereby policymakers holistically design reforms in a participatory manner, taking into consideration the ground bottlenecks faced by all operators — traders, logistics providers, etcetera — along the supply chain.

Adopting this all-encompassing supply chain approach will enable to understand all the possible operations occurring in an international trade transaction, their linkages and prospective trade facilitation improvements that can benefit at large the different operators and transaction stages occurring in the supply chain. The involvement of the business community in the trade facilitation reformative process is crucial to ensure that these solutions generate widespread benefits for all the actors in the supply chain.

As Nepal is moving forward on its path to implement the TFA, these are definitely two success factors that many countries in the same process have been feeding into their trade facilitation reforms, and that will determine the degree of effectiveness of reforms adopted.

### How can the private sector participate and contribute to the overall implementation process of the TFA by the Nepal government?

The inclusion of businesses, and broadly the private sector's perspective into policy-making, is crucial to enhance the benefits of policy formulation in trade facilitation. The success of trade facilitation reforms calls for the implementation of a well-designed approach that entails active consultation and involvement of businesses in the policymaking process. Inclusion and participation of the private sector in trade facilitation solutions will enhance the benefits of policy formulation and ownership of the reform process, as the business community can report on the most commonly faced procedural obstacles and contribute to engineer dedicated solutions.

Public-private dialogue (PPD) is particularly suited for strengthening public-private cooperation in trade facilitation reforms implementation, identifying policy priorities, reducing regulatory costs and building consensus on reforms needed. PPD helps to ensure that reforms are demand-driven and in line with the needs and priorities of the main stakeholders, including the private sector.

The TFA specifically provides for strengthened PPD in three provisions of the Agreement: Article 2.1, which provides opportunity to comment before the entry into force of laws and regulation, Article 2.2, which provides for consultations between border agencies and the private sector; and Article 23.2, which disciplines the establishment of a National Trade Facilitation Committee (NTFC).

The NTFC constitutes the leading platform for public-private collaboration in the trade facilitation area, ensuring effective participation of the private sector in all stages of policy formulation.

The establishment of the NTFC is an obligation that WTO members have to comply with to facilitate both domestic coordination and implementation of the provisions of the agreement, and to provide a mechanism which uniquely ensures inclusion of the private sector voice in the area of trade facilitation.

Nepal has already established its NTFC, representing both the public and private sectors, and going forward, this institutional platform will allow Nepal to enhance the conduciveness of its trade facilitation environment and boost Nepal's cross-border trade and participation in global trade.