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MONEY AND THE
GLOBAL QUEST
FOR SELF-
DETERMINATION

PROS & CONS
OF A STARTUP
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DRIVEN BY
**LEGACY &
CHANGE**

Ujjwal Kumar Shrestha
Executive Director, Panchakanya Group





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If you have to constantly seek validation from others, how valuable are you?

A healthy ability to self validate is known to boost productivity but if you are easily offended by constructive criticism, take disagreeing with someone personally, are afraid to ask questions, are overly self critical, lack self belief, then your need for validation is not only hurting your career but also creating a weak representation of you.

Most of us search for validation in other people as we try to be liked, fit in and approved of. But this trait is often detrimental to leadership.

Leadership calls for having the ability to make autonomous choices, staying true to your path and vision often even when others cannot see what you are aiming for. And autonomy does not combine well with the need to be liked. You become vulnerable as a leader if you need constant validation and appreciation from others, but that is not to say that you do not self validate.

In fact self validation – mindfully used – is a powerful leadership trait. Issues arise when you displace your motivation for your own happiness in favour of performing for others. You may still be successful but you will be limiting or compromising yourself in one way or another. Here it is important to note the difference between performing for others and serving others. One is a mask and the other is based on values, integrity and active listening.

Nepal's political, business and bureaucratic leaders have unfortunately been victims to the need for validation. Those who have made it to the very top often forget the shoulders they stood on to reach the pinnacle. Those in mid career are caught between the hierarchical set up of the party system that does not ironically follow a democratic process that will allow them to reach the top based on merit and performance. Rather young leaders often have to follow the dictates of *jee hajuri* that has become an ingrained part of our work culture.

To have impact and to be able to influence in business, politics, work and life, you have to achieve a level of self leadership that is free from the manipulation of others, it is to have the intrinsic motivation and ability to know when you have done work, and done it well. It is to be not restrained by fear of offending those who may judge you, or change your standards to fit it, or be uncomfortable when your views are challenged, or working with people we do not approve of. In politics, business and life, we cannot always satisfy everyone, but we can be respectful of everyone even as we stay focused on our purpose, direction and goals.

A handwritten signature in black ink, appearing to read 'Charu Chadha'.

Charu Chadha
editor

BIZ INDICATORS

FOREX MARKET	30.08.2021	31.07.2021	Year ago
USD	118.66	116.72	117.70
GBP	159.86	160.53	152.02
Chinese Renminbi (Yuan)	18.41	18.07	17.33
Indian Rupee (INR 100)	160.00	160.00	160.00
Euro	137.42	137.81	137.92
Australian Dollar	-	-	-
GOVERNMENT SECURITIES	Lowest	Highest	Weighted Avg.
Discount rate of T-bill (Subject to latest issuance)			
Treasury bills (28 days)	-	-	-
Treasury bills (91 days)	4.4493	5.1400	4.9345
Treasury bills (182 days)	4.5000	4.9199	4.7827
Treasury bills (364 days)	4.0000	4.5540	4.3837
PRICE INDICES	Aug21/22(p)	Aug20/21(p)	Aug19/20(p)
National Consumer Price Index (base year 2014/15 = 100)	142.42	136.48	131.87

Source: Refinitiv Eikon, Nrb

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“We didn’t want to just be another outsourcing company or an off-shore hub. We were more excited about working with businesses that had a social mission, where we could help them amplify their impact through our technology.”

Atulya Pandey
Co-Founder and Co-CEO, Outside

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IN THE LEAD

DRIVEN BY LEGACY & CHANGE

UJJWAL KUMAR SHRESTHA
EXECUTIVE DIRECTOR,
PANCHAKANYA GROUP

"But if we look at the general scenario we can see the coronavirus has helped catapult many industries and technology is one area where I think we have leapt 10 years ahead of time. When push comes to shove, people do tend to look for innovative ways and we just need to adapt to the changes".

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MONEY AND THE GLOBAL QUEST FOR SELF-
DETERMINATION



THE BIG PICTURE

WRITE TO US AT

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We have envisioned to revive the economy and execute the budget in collaboration with the private sector. The private sector has an important role to play to achieve the growth target of 7% in fiscal 2021-22.

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THE BIGGEST CHALLENGE FOR ENTREPRENEURSHIP IN OUR COUNTRY IS NOT BEING ABLE TO MATCH EXPECTATIONS AND REALITY, AND CONFIDENCE AND COMPETENCY. OUR EXPECTATIONS ARE SO HIGH BUT OUR REALITY IS VERY MINIMAL OR AT TIMES NON-EXISTENT. AT TIMES I TELL PEOPLE TO KEEP EXPECTATIONS AT ZERO SO WHATEVER YOU GET IS A BONUS"

Dr Tshering Lama
Executive Chairperson & Co Founder
Idea Studio

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THE INDUSTRY HIT A ROCK BOTTOM AND THE ONLY WAY THAT IT CAN NOW GO IS UPWARDS. A TERMINOLOGY THAT IS DOING THE CIRCLES IS REVENGE TRAVELLING THAT WILL HELP THE INDUSTRY RECOVER FASTER. TRAVELLERS HAVE BEEN RESTRAINED FROM TRAVEL FOR LONG ENOUGH AND WITH THE TRAVEL SECTORS OPENING, THERE WILL BE AN UPSURGE IN SHORT VACATIONS AND BUSINESS TRAVEL. IN WAYS, THE DOMESTIC AND INTERNATIONAL LEISURE TRAVEL WILL SET THE TONE IN THE COMING DAYS"

Varun Talwar
General Manager, Hyatt Place

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DRIVEN BY LEGACY & CHANGE

Ujjwal Kumar Shrestha
Executive Director, Panchakanya Group

Steering the core operations of a business legacy that has been able to consistently win the trust of customers for the past 49 years is no small task to carry forward but Ujjwal Kumar Shrestha, Executive Director of Panchakanya Group, has done with panache. There are certain values that Shrestha has stuck to since he joined the family business 15 years back which has stood him in good stead. He

says there are three core areas which he has always believed in and followed throughout his business journey. “We foremost always need to understand our people and culture; where are we coming from,” shares Shrestha, adding that the other two are about winning the trust of one’s business network, and empowering the people who work for you.

Striving to be the most preferred brand in the areas that the company is engaged in,

Shrestha has not only imbibed the work values and culture that the older generations have set but also inculcated new global practices in tune with the times. “A person can grow personally and professionally only when they are willing to embrace change and also unlearn the things that didn’t work for them in the past,” he candidly states.

One of the first challenges that Shrestha faced when he joined the company was transitioning the group from

a traditionally run family-based model to being more decentralised and autonomous. “It was also about ushering in more professionalism in the way we did our work as a company,” he states.

It may seem to others an easy task when a person joins a business that already enjoys a strong foothold in the market but Shrestha begs to differ. “We started our first venture, Panchakanya Rice Mill, back in 1972 and over the years we





have diversified from an agri-based group to one that has interests in building materials, heavy equipment and financial sectors, among others," he says.


"The day I joined I realised the effort and dedication of the previous generation to make Panchakanya the brand

it is today and I had to live up to that legacy," he reminisces, adding, "But then it was also all about how I personally could add more value to the company. Do I just carry on satisfied with what has already been established or do I try to look into other avenues

that have yet to be explored is something I had to be mindful of." He elaborates, "It's not only about exploring new horizons but also trying to give a new outlook to what is already being practised."

As a group, Panchakanya has always strived to be the

first mover in the ventures they are involved in, especially in the construction materials sector which is their core business. The company has enjoyed a steady growth over the years but every two to three years, they try to introduce new products. "You also need



“One of the first challenges that I faced when I joined the company was transitioning the group from a traditionally run family-based model to being more decentralised and autonomous. It was also about ushering in more professionalism in the way we did our work as a company”.

“Success can at times lead to complacency and complacency will definitely lead to failure.”

Keeping up with change and innovation is something Shrestha is passionate about. “We may have that legacy but in today’s globalised context anybody will be able to lead this market tomorrow, hence we have to be ready for anything and everything. We therefore also try to disrupt the market by coming out with products that change the norm of consumer behaviour.”

Shrestha says, “We have always strived to play a pioneering role, especially in the construction materials sector which I believe goes a long way in contributing to the national economy.” Over the last four years, Shrestha says that they have been focusing on adding more value to the existing business verticals. He says that new products come with a lot of time on research to enable them to deliver the best.

It’s not only about having the best products but also about having a capable distributor network to make certain that the goods that consumers are seeking reach them within desired time, Shrestha says. “During my initial days, that was one area I spent a lot of time on”.

He talks about how the business network was not properly aligned to the vision of the company and for any venture to excel the entire ecosystem has to be aligned. The vision of the management needs to trickle down to the farthest point of the network and then only will there be a holistic and sustainable growth of the company, he states. “This is one achievement which I initiated that I feel proud to talk about as there are other companies in Nepal at present who try to emulate our practices.”

So was Shrestha always interested in joining the family business, we ask. “Ever since I was able to comprehend things I have always wanted

to give the consumer a new experience every now and then. Technologies are evolving, people are changing and what worked five years back may not at present,” he says.

Previously, one could rest on their laurels but the times are changing and it became

vital to learn to stay ahead of the game, not only to survive and sustain but grow too, he shares. “People have access to so much of technology and social media that ideas are being shared across the globe and any person here can pick up any idea and start a

venture,” he mulls. “Moreover, with the development of the financial sector, people have easy access to financing too,” he says, elaborating that any person with a brilliant business idea can now give you a run for your money if you are complacent, adding,



“But if we look at the general scenario we can see the coronavirus has helped catapult many industries and technology is one area where I think we have leapt 10 years ahead of time, When push comes to shove, people do tend to look for innovative ways and we just need to adapt to the changes”.

to be a part of the company,” he says. Most of his vacations, he relates were spent on the factory premises in Bhairahawa. “I actually grew up watching our employees and that is why I can connect to them. From my childhood itself I was very comfortable in that environment,” he recalls, adding how he learnt to ride a motorcycle and even drive on the factory premises itself. What also helped him



achieve his personal vision for the company, says Shrestha, is that his father always allowed him to experience things his way. “When you are allowed to do things on your own you do make mistakes but it is a learning curve and you train yourself to handle responsibility,” he elucidates. “On the other hand my uncle taught me to be firm and decisive and to always lead aggressively and not fear change,” he shares.

But one advice he always keeps in mind was from his grandfather who often said that success is temporary. “We can be successful with one idea but another may fail but what we must never lose is the trust of the people we are doing business with or for that matter anybody we meet in our everyday life. It just takes one wrong move for decades

of work that has gone into building the brand get smashed into smithereens,” he says.

“When I commit to something I make sure that I fulfil it,” he stresses, adding that one must always learn to ‘walk the talk’. “The reason I have been able to make a mark within our group is solely due to that. We have employees who have been in the company more than I have and some of our distributors have been associated with us from long before I joined so winning their trust was a big achievement,” he states.

In all these years of work, he says that the Covid 19 pandemic was one of the most unsure times he has faced. “We took a very conservative approach and braced ourselves for the worst so that we would be ready to adapt and bring the right changes,”

he recalls. He adds that the company had to downsize a little but the pandemic was a massive learning process. “The experience of the virtual world sank in really strong”, says Shrestha.

He says that the first lockdown did hurt the company but post-lockdown the construction materials sector has not suffered as much as the service industry has. “But if we look at the general scenario we can see the coronavirus has helped catapult many industries and technology is one area where I think we have leapt 10 years ahead of time,” he opines, adding, “When push comes to shove, people do tend to look for innovative ways and we just need to adapt to the changes.”

What the pandemic also did for many in Nepal was to look at global trends and adopt them, says Shrestha. He adds, “Any global trend is immediately adopted in India, be it the consumer behaviour or the working culture, so we just need to look across and learn.” Not one to shy away from challenges, Shrestha says people often say Nepal is just a developing country but it is within the challenges that we have the opportunities. “Yes, there are a few bureaucratic hurdles but we have good experts in our government policy making bodies,” he states, adding that the only major problem is politics that has trickled down to every level in the government as well as the private sector. He concludes, “We are always stuck in present day issues. Both the government and private sector know what is at stake for the country but the question is who is going to develop the vision for five years or ten years down the line. Things keep changing on the political front which does not bode well for the business climate because along with change in government, policies too change. It is time we buckle down and develop a clear roadmap for a sustainably developed Nepal.” **B**

Money and the Global Quest for Self-Determination



Rajib Upadhyaya is a former advisor to the World Bank in Nepal and South Asia. He is the author of *Cabals and Cartels: An Upclose Look at Nepal's Turbulent Transition and Disrupted Development*.

Last month El Salvador, a small Central American nation, made history when it became the first country in the world to officially adopt Bitcoin as legal tender alongside the US dollar, its de-facto currency. In doing so it chose a monetary path diametrically opposed to the mainstream world that largely demonises cryptocurrency as an alternative to fiat money.

To appreciate why the El Salvador experiment is so momentous, it might help to reflect upon how the US dollar – paper money which holds no intrinsic value – rose to global predominance; what the underlying inadequacies of this arrangement are; and how unintended consequences and abuse have fuelled a global desire for change.

The story takes us back 50 years to August 1971 when US President Richard Nixon unilaterally pulled the US dollar off the gold standard, effectively delinking it from the Bretton Woods System – a global order negotiated after World War II to govern monetary relations between nations. Gold was at the heart of determining the worth of money and ensuring exchange rate stability.

The US held nearly two-thirds of the world's gold reserves immediately after the war. Most of it was accumulated in payment for combat supplies to the Allied forces. The US leveraged this hoard of gold over the following years for the post-war reconstruction of Europe and Japan. As part of the deal, the war-torn economies – which had depleted their own gold reserves – agreed to peg their currencies in a fixed exchange regime to the US dollar which in turn would be linked to gold. In return, the US promised to redeem dollars for gold, on demand and at a fixed price. The resulting appetite for US Treasury securities thus powered the rise of the US dollar as the world's reserve currency.

By the late 1960s, the post-war economies of Europe and Japan were booming once again. The US, meanwhile, was borrowing heavily to finance its ambitious social spending, its war in Vietnam, as well as

to service debts as old as the 1929-1939 Great Depression. To shore up its liabilities it flooded the market with fiat paper money. But as concerns over the stability of the dollar mounted, Europe and Japan demanded gold in exchange for their burgeoning dollar reserves – almost all at once – and Nixon saw little choice but to abandon the Bretton Woods System altogether. And thus began the era of the floating exchange regime.

Some historians believe that the surprise US move on August 15, 1971, dubbed the 'Nixon Shock', was intended as a temporary measure. In fact, Nixon's problems were far greater: for the first time ever, the US economy was experiencing a period of 'stagflation' – i.e., slow growth + high unemployment + inflation – and no one seemed quite sure what to do about it. Other commentators from the time suggest that 'neo-feudals' in the US military and banking establishment

persuaded Nixon to redirect his focus instead on building up an almighty global reserve currency that would allow the US to borrow cheaply, run up trillions of dollars in perpetual debt against the promise of future public consumption, 'export' US inflation abroad and when 'weaponised', fortify US military domination of the world. And thus, what was intended as temporary soon passed into permanence.

Today, nearly two-thirds of all currency reserves and close to half of the world's debt is denominated in US dollars. But 50 years on, clearly the world continues to bear the brunt of Nixon's judgement. Today, the US can commandeer the global financial system at will and arm-twist banks into refusing to honour any number of transactions – likelier than not denominated in US dollars – because one or both parties are on some US sanctions list for whatever reason.

But it is not like all Americans have lived happily ever after either. In the hyper-financialised economy that the US has since become, this system now benefits only a small minority of Americans who hold securitised assets. For example, the Brookings Institute, a US public policy outfit, estimates that 1% of the wealthiest Americans now own more wealth than the entire US middle-class. And while the share of middle-class wealth has declined steadily since 1995, another joint study by economists at the University of California, Berkley and the London School of Economics reveals that only a tinier fraction – the top 0.01% – has quadrupled its wealth over the last 50 years.





In contrast, during the height of the Covid pandemic last year, the US Federal Reserve reported that 40% of Americans are so illiquid that they would be hard pressed to put up \$400 for an emergency expense without having to resort to some form of debt. Another study revealed that six in every 10 Americans do not have enough saved to cover three months of expenses. Every example explains why the clamour for change is loudest in the US, especially among the working middle-class that feels short-changed and worse still, sees little or no shot at catching up. Put another way, Americans are increasingly outraged with a polity wherein the likes of Jeff Bezos and Mark Zuckerberg pay less in federal taxes as a percentage of their income than their chauffeurs.

Although labelled digital currency, to be sure, Bitcoin and other cryptos are not bona fide currency – at least not yet. They still do not fully meet the functions of a medium of exchange, a store of value and a unit of account. Notwithstanding the allure of its promise, cryptocurrencies still have a

number of serious downsides that need overcoming. Not surprisingly, Bitcoin has been pronounced ‘dead’ at least 430 times since late 2010, according to 99Bitcoins, a website that tracks such obituaries. Yet it keeps springing back to life. And given crypto’s resilience and growing popularity among high profile investors, legacy monetary authorities cannot simply wish them away.

Meanwhile, fearing disruptions to the existing financial architecture and the loss of control, central banks around the world are also exploring ways to enter the cryptocurrency eco-system. The Bank of International Settlements, the bank of central banks, says it is already testing the use of Central Bank Digital Currencies (CBDCs) with a number of countries with the objective of developing prototypes for a shared platform. Nonetheless, from what is emerging, CBDCs, too have their share of shortcomings.

But back to the El Salvador experiment. By way of comparisons, El Salvador is about one-seventh the size of Nepal in land area, one-quarter the size in population and about

half in economic size measured in terms of Gross National Income by Purchasing Power Parity (GNI-PPP). Yet we share some remarkable similarities. We both have endured chronic political and economic instability, foreign intervention, social exclusion and the prejudices of a preponderant state religion. We both suffered civil wars in our recent past and negotiated a constitutional republic as part of our peace deals. El Salvador’s currency is pegged to the US dollar. Ours is to the Indian rupee.

Most striking, however, is that foreign remittances constitute over 25% of our gross domestic product (GDP), among the highest in the world. In fact, a primary reason why El Salvador chose to adopt Bitcoin as legal tender is to bypass intermediaries of the likes of Western Union who often charge extortionate transaction fees. The country expects to save at least \$1 billion during the first year alone. And before the end of September, half of all El Salvadorians had already acquired Bitcoin wallets.

While crypto-critics like to point out that blockchain mining is heavily energy intensive and thus climate

unfriendly and unviable, El Salvador appears intent on proving that there are practical ways around this problem. Like Nepal, El Salvador is richly endowed with what energy specialists call ‘stranded’ energy. If ours takes the form of renewable hydropower from the great Himalayan rivers, in El Salvador it takes the form of geo-thermal energy from its active volcanoes.

Enough for the similarities. The one big difference: El Salvador is led by a millennial President, the 40-year-young Nayib Bukele, a successful entrepreneur-turned-politician whose ruling ‘New Ideas’ party appears hell bent on innovating the country out of economic injustice and inequality, even if it entails going against the grain. Ironically, during the same week that El Salvador legalised Bitcoin, our central bank’s nanny instincts shot several notches up as it declared cryptocurrencies contraband and all associated activities criminal – effectively locking Nepali participation out of a \$2 trillion market growing by leaps and bounds. I leave it to you to complete the picture. **B**

WWW.



<http://www.b360nepal.com/>



Varun Talwar

General Manager, Hyatt Place

“The industry hit a rock bottom and the only way that it can now go is upwards. A terminology that is doing the circles is revenge travelling that will help the industry recover faster. Travellers have been restrained from travel for long enough and with the travel sectors opening, there will be an upsurge in short vacations and business travel. In ways, the domestic and international leisure travel will set the tone in the coming days”

Varun Talwar is the General Manager of the much awaited Hyatt Place Kathmandu that will open its doors for business in November this year. Starting out as a Management Trainee in 2004, Talwar has over 17 years of experience working in reputed hotel brands in Nepal and India. As a professional, he is known for excellence in meeting objectives through independent action, prioritisation and persistence. Hyatt Place opens for business in challenging times but Talwar recognises this as an opportunity and is confident that the hotel is set for success. Excerpts of a conversation with **Business 360**:

What is a Hyatt Place Hotel and how is it positioned in the Hyatt brands portfolio?

Under the Hyatt umbrella, Hyatt Place hotels are positioned as upscale hotels under the Timeless portfolio. The Hyatt Place brand was created with the help of our guests and the select service experience was reimagined. The brand focuses on creating a place that offers 24/7 convenience, stylish spaces and casual, modern comforts inspired by a conversation with guests — imagined by them, for them.

The brand strives to see the world through the eyes of our guests, respond to their evolving needs which allows it to deliver refreshingly uncomplicated experience that feel authentic, intuitive and modern.

Who is a Hyatt Place customer?

The brand was designed to cater to the ‘smart self-reliants’. They are ambitious professionals who are constantly trying to balance the demands of work and life while on the road. They are a practical bunch – they need a place where they can be productive, they appreciate when their loyalty is recognised and they love getting the most value for their money. And even though they are travelling for work, they are most comfortable in a laid-back and casual environment where they can be themselves. Hyatt Place Kathmandu will cater to a diverse section of travellers including the leisure, adventure seekers, religious travellers, business travellers and families with kids.

Who are the promoters of Hyatt Place in Nepal?

The Hyatt Place Kathmandu is owned by the Golyan Group under the leadership of Akshay Golyan, Executive Director. The Golyan Group is a diversified group of companies with businesses in hydropower, spinning mills, real estate and organic farming. This is their first foray into hospitality.

How is it different to the Hyatt Regency Kathmandu?

Hyatt Regency Kathmandu is an upper upscale luxury brand designed around one objective: to connect today’s always-on traveller to who and what matters most to them. It

is designed in a way that each space is multifunctional and can interconnect physically, visually and digitally, so the guests can easily choose the space they need and how they want to use it, no matter the occasion.

On the other side, Hyatt Place Kathmandu is designed for a vast section of travellers looking for services in an uncomplicated, purposeful and approachable atmosphere with modern design and transformational spaces.

When will you be opening your doors to the public and are there any special offers that we can look forward to?

Hyatt Place Kathmandu will be opening its doors in November, post the festive season when people will be fresh out of the celebrations and will look forward to extending the festivities in a fresh vibrant upbeat hotel with memorable gastronomic experiences.

The hotel will have several tool box offers primarily allowing guests to earn and redeem the World of Hyatt Loyalty programme points. We will also be floating an offer of pay for two nights and stay for three nights and special discounts on food and beverage. Our objective will be to build relations with the local community and have multiple number of guests try our property and give us constructive feedback.

Can you run us through any services targeted to the local residents?

For any hotel, the local community is key and Hyatt Place Kathmandu is no exception. The services at the hotel have been designed keeping the local residents at the centre. We are a 153-room hotel with three suites, seven rooms with sit out terraces and view rooms which face the Swoyambhunath Stupa. The food and beverage offering has been made keeping the local palette in mind with Nepali and Indian cuisine at the heart followed by South Eastern delicacies and all-time favourites like Italian and Mediterranean. The hotel will also concentrate on consistency in quality, taste and freshness delivered at the Zing World of Flavors through its interactive show kitchen. Likewise, The Bar and Zing Sky Bar & Lounge will deliver specially curated beverage mixes besides the straight drinks conjured up by our experienced bartenders. The hotel has 500 square metres of flexible event spaces which can be broken up into multiple smaller venues with natural light that can cater to an array of requirements ranging from corporate networking events to intimate social occasions. The menus for all events are customised as per the guest palette rather than offering run of the mill menus. There will also be 24-hour room service swimming pool, Jacuzzi and a kids pool area. And last but not the least, the driving purpose

of the Hyatt brand is to 'Care for our people so that they can be their best'. That extends not only to the employees but to all guests alike.

Keeping in mind the current scenario, the hotel will exhibit its commitment to cleanliness and hygiene through its GBAC certification and adherence to WHO and local laws to instill confidence in the brand.

You are opening in one of the most challenging periods that the tourism industry is having to face globally as well as in the country due to the pandemic. What are some of your strategies to meet and mitigate these challenges?

On the contrary we are confident at the timing of our opening. I agree that the industry has been challenged in the recent past owing to the pandemic but at the same time its resilience has kept it afloat. With the times improving, we feel that brands like the Hyatt Place Kathmandu will benefit greatly as we will provide everything that a global traveller requires at affordable prices with a keen focus on service standards. We are a young, friendly, uncomplicated hotel and I believe that's what the city needs.

How do you view the tourism industry - especially hospitality - faring in the days to come?

I feel that barring the uncertainty in waves of infections, the industry will only be at an upswing. The industry hit a rock bottom and the only way that it can now go is upwards. A terminology that is doing the rounds is revenge travelling that will help the industry recover faster. Travellers have been restrained from travel for long enough and with the travel sectors opening, there will be an upsurge in short vacations and business travel. In ways, the domestic and international leisure travel will set the tone in the coming days.



There is a huge surge in new property developments - hotels and restaurants - in the country. Some experts even say that supply exceeds demand even under normal circumstances. How do you view this?

Development and expansion are a necessary evil and we should always welcome them. Large brands are equipped with a strategic vision that is revisited year on year that allows them to absorb the impact besides revisiting the existing segments or identifying new ones. In the same breath, when the supply and demand issues come forth, it is important for the fraternity along with the government to create new demand generators. In case of Nepal, one such example would be of international conventions coming to a country with beautiful settings

and infrastructure.

What are some of the global travel trends that you think are a positive sign in the coming days as people begin to travel again?

Brands' concentration on safety and hygiene will be a major factor that will ensure people start travelling again. While technology may have connected people during the recent past, physical presence and connect is still needed and that will fuel travel needs. On a macro level, the economic recovery sought by countries coupled with realignment of rates will also support travel decisions.

Quality human resource is seen as a challenge in the country which often translates to quality service standards of a hotel. Your thoughts.

I would have agreed with this

point until 2019 as the country sees a huge talent and brain drain to other countries like the Middle east, Australia, US, Korea and Japan to name a few. Owing to the pandemic, migrants have returned to Nepal with international experience, something that the hotels can make use of and provide world-class service true to the brand. This is also an opportunity for the local residents to learn and experience. With the recent experience of the pandemic rendering migrants jobless, they are seeking to stay close in their home country for social and financial security. The presence and emergence of global brands in the home country is giving them confidence and this is a win-win situation for both, the human resource and the hotel. **B**

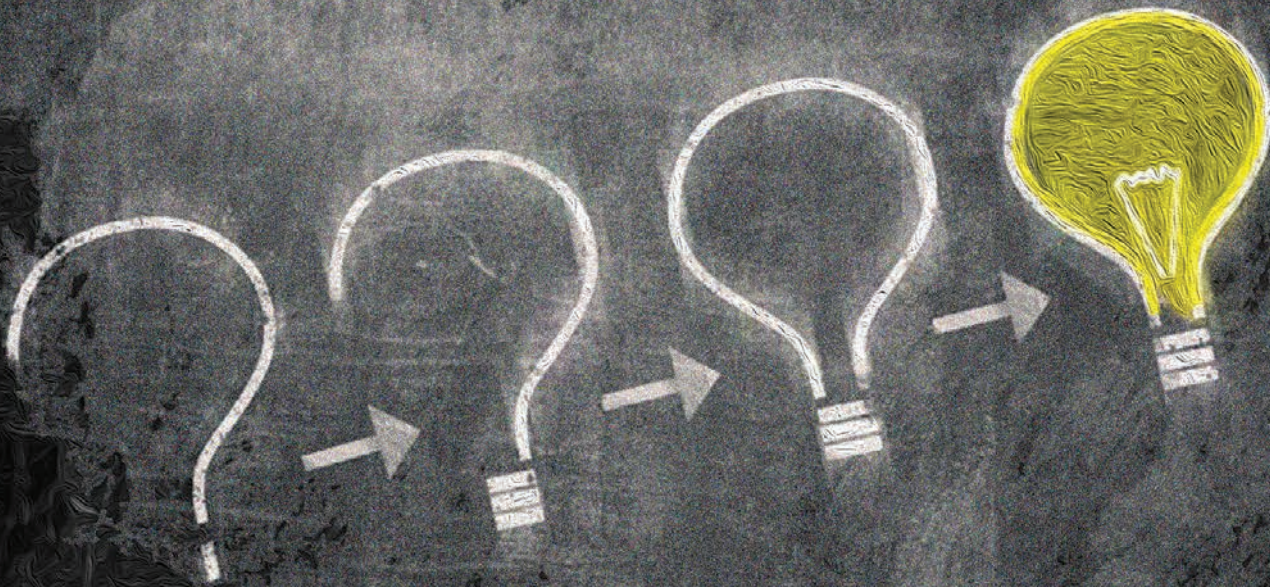
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PROS & CONS OF A STARTUP BUSINESS

Startups have been on the rise in the last few years globally and in the country. Starting a business has attracted young people to explore different genres of ventures, and technology has enabled them to explore entrepreneurship in more creative formats. While the draw of owning your business is big, need has also played a role as the Covid 19 pandemic has seen a rise in young people looking to create economic opportunities with the job market becoming narrower and strained in recent days.

The government has realised the importance of startups and small businesses for the economy of the country. In the budget announcement of fiscal year 2021-22 the government has allocated a startup fund of Rs one billion through which startups can take a loan of up to Rs 2.5 million at an interest rate of just 1% against the project as collateral. This is in bid to encourage young entrepreneurs, create jobs and stimulate the economy.

Gradual changes and improvements have been witnessed in the startup

environment and newer and more aggressive incubation centres and venture capital investors are joining the game to build and sustain a healthy ecosystem for startups. Development partners and stakeholders are promoting startups and there are many prestigious competitions and recognitions that help build the eco system further. While companies such as Tootle, sastodeal.com and Paradigm TV are some successful startups, it's also important to note that startups have a high failure rate of almost 80% with

most companies closing down within a year of establishment.

In this edition of **Business 360**, we have asked entrepreneurs about their views on the startup culture in Nepal, the advantages and challenges of owning a startup and sustaining it, what they feel about the government policy towards building startups in the country and what could be done to better facilitate them.

BAAS SUSTAINABLES

Phobe Barahi & Shourya KC

Co Founders



Advantages

There is an ample number of advantages that come with owning a startup venture. Firstly, the leadership quality and decision-making skills get developed and enhanced. We've actually seen these qualities grow in ourselves which has contributed in boosting our confidence too. Secondly, owning a startup helps people to view you positively as a self-assured individual. You get strong impressions. Above all, you get to create employment opportunities which is the

biggest advantage. Moreover, having your own startup provides financial freedom too.

Furthermore, as a green initiative, it is extremely rewarding and a pleasure for us to work towards the Global Goals and make an impact at the grassroots level. We get to promote sustainability through our platform and create a community for people having the common goal of achieving sustainability.

Challenges

One of the biggest challenges of owning a startup

in our Nepali landscape is the misconception of people thinking we keep a high profit margin and that local products are pricey for nothing. But in reality, we put in a lot of effort, perfect everything and ensure everything is on point, which costs time, money and hard work.

We are definitely seeing Nepali customers being supportive towards locally made products. But sometimes we also experience the false assumptions which make it challenging.

Role of government in enabling startups

Another huge challenge is the lack of support from the government. The startup scene in Nepal is booming, however, the government seems to be lacking in terms of policy making for small businesses and providing other subsidies. Government policies for small-scale businesses are a bit confusing as the policies do not directly cater to the small businesses, mostly to e-commerce sites. In our experience too, we have faced challenges regarding government policies in the registration process. We have also realised that the lack of proper government policies for different startups have resulted in most businesses being unregistered. We believe that the government must realise that the Nepali startup industry is ever-growing. And to ensure that these initiatives stay and contribute to the nation's economy in the long run, the government must bring changes in the policy which includes e-commerce sites, online stores and other digitally running startups. As these initiatives typically do not fall under particular criteria, they need to be put under certain criteria which suits them best. For instance, most online businesses have been registered under the same criteria for small businesses such as grocery stores, clothing stores, but the level of income is not the same for everyone and this is not fair. Hence, the government should prioritise on making a clear plan which includes the dynamic ecosystem of startups.

In early 2017, when we started, there were only a very few startup ventures. It was a time when the 'Startup Culture' was in the phase of testing waters. The government was new to it and so were the people. This had made that phase really challenging as entrepreneurs struggled to find the right answers to each of their simple questions, be it "Where to register my business?" to "Where do I get a loan for investment?" to even "Where do I get all my supplies from?".

Today, especially after the Covid 19 lockdown, the startup culture in Nepal has started to boom like never before. There are social media groups and pages solely for the purpose of networking entrepreneurs where you get each of your questions answered within minutes making it even easier for upcoming entrepreneurs and resulting in booming startup businesses.

Advantages

The market in Nepal is growing every day and is being shaped by a set of characteristics that aids the growth and sustainability of many genuine business or startup ideas. Some of them are:

- Lately, with the growing population, working/busy individuals, changing lifestyles and increased consumerism, the demand of any type of convenience products has augmented with the increasing disposable income of the individuals and their capability to afford goods that are beyond their basic requirement.
- Also, today people are more educated and aware of the products they consume. Similarly, brand and product consciousness is also growing along with literacy rate.
- The increased disposable income allows people to spend more comfortably on different products.
- A growing number of consumers have become health conscious and are

TITTOFRITTO FOODS

Arunima Shrestha & Urusha Shrestha

Co Founders



very particular about the food products they choose. Thus, consumers are hesitant about purchasing unbranded and inferior quality products and are now giving importance to products that meet the quality regulations and detailed labelled packaging with all required product information.

- Because Nepal is a developing nation, there are a lot of gaps in the marketplace to be fulfilled and a true entrepreneur would take each of those gaps as gold mines, dig-in, research about it with their ideas, fill the gaps and reap huge rewards.

Challenges

- For any new startup business in Nepal, the initial cash flow takes a generous amount of time.

- In addition, due to low population as compared to other developed nations, Nepal has a very small market to tap into. So, production in mass scale isn't possible, making it difficult for productivity and thus economies of scale.
- There are no proper systems regarding patent copyright and trademark, so there is less security of one's business ideas and products.
- New business ideas are copied easily in a very short span of time.
- Obviously, there are a lot of bureaucratic processes that have been cemented for years and years throughout most of the government organisations. Specially during the initial phase, ie, registration of your business, this can be very demotivating.

Every fiscal year, the government declares certain amount as grant, subsidy for loans or there are some policy changes to help leverage the business sector and motivate new businesses. However, such grants are not monitored properly and there is less bargaining power of new startups while preference is given to those with political connections. So, in such a situation it is very difficult for an individual who has just graduated to avail the financing. Such grants do not go to the one in actual need but mostly to those creating false needs. The government is trying to do its part, but there is a loophole in the implementation process.

Role of government in enabling startups

In order to support the startup ecosystem, every year it comes up with numerous good policies and programmes. However, because of the loopholes that exist at the implementation level, those policies do not deliver the desired results. We cannot solely blame the government for that.

Our recommendations to the government would be:

- Ease the process of registration of startups.
- Convenient loan processing from financial institutions.
- Proper monitoring of government grants and subsidies so that it reaches the right people.
- Special tax rate for new startups; Currently, 25% tax for businesses.
- Various subsidies for businesses using locally sourced raw materials and local manpower.

DOCTORS ON CALL NEPAL

Dr Suman Neupane, Dr Suyesh Karki & Dr Mohan Bhattarai

Founders



Advantages

Being a developing country there are many opportunities for innovation, tech-based organisations, online door-to-door services, sustainable fashion and other unique ideas. Nepali students studying abroad are taking a chance to implement the ideas and knowledge at home. This also helps the startups with the first mover advantage. They have untapped market opportunities and a large pool of talent and vast market opportunities which could lead to success.

After more than three years of hard work and dedication we were finally recognised at the NYEF Startup Awards 2021.

Challenges

There are paramount challenges to be faced as a startup to sustain in the market and to get the recognition:

- Budget constraints
- High staff turnover
- Trust issues for the customers
- Hiring the right people
- Networking is tough
- Knowledge and skill gap
- Lack of good managerial and leadership skills
- Political instability

Role of government in enabling startups

As startups can create an impact on the nation's growth and economic stability, the government should facilitate startups to motivate and

encourage them. Political instability is one of the major challenges to the startups. There is lack of an ecosystem for startups in Nepal and for that to develop the government should be more flexible, financially supportive, and should have strong policies. Government should facilitate startups with tax subsidies and loan facilities without keeping any physical collateral so that even the youths from the middle class are motivated to open a startup. Most importantly, our education system should have real-time practice for interns in well-established organisations so that youths can learn through experience about work culture.

FNCCI and other concerned organisations that have been looking into startups should organise different

training programmes and invite business tycoons during such events so that youths who are involved in startups are encouraged and motivated after listening to the stories of struggles those business people had to go through when they first started their business.

All the youths are highly encouraged to grab the opportunity to make their dreams a reality. Networking is the key to success for startups, and most importantly having good mentorship is equally crucial. Persistent hard work and dedication will lead you to success.

DELISH DAIRIES

Surya B Karki

Co Founder



The attraction of owning or creating a company is romantic for most Nepalis. The culture of starting up and actually establishing a fledgling company is still being worked on. Nepal is a small market and starting anything is costly. The overall startup atmosphere of Nepal is very divided. People who have access to the existing entrepreneurial environment and structures in place are more likely to flourish or not go out of business than the ones who do not have access and also who cannot hustle.

The professionalism among startup employees or workforce is tough to handle in Nepal. Imagine the danger of waking

up and not having the very employees that were there yesterday. People are going to say 'Pay them well'. Well, what is well? Then there is the boss and employee culture that is in a confused state in Nepal. What I mean is, you want to let your employees free to decide, work and get things done at a good pace, but then you are faced with the Nepali culture of arriving late, not meeting deadlines, cutting corners and more. So do you become a traditional boss or do you become strict? People are going to say 'you should hire the right people'. Well, when everyone is busy starting their own and/or looking for the next big job

everyday while working full time, what is right?

Not everything is doomed. There is a fledgling startup culture that is driving lots of changes to how people shop, eat, talk and receive services. Imagine not having esewa, foodmandu, sastodeal and/or tootle. These are Nepali startups with Nepali founders that have persisted patiently despite the difficulties. These have lived through the thick and thin and survived the problems mentioned above. They, I am sure, still have the problems mentioned above, but have figured out ways to hustle and keep pushing.

Advantages

- You get to employ people.
- You get to push for policy changes if you are new to the game.
- The fact that the Nepali market is mostly unripe in all spaces of product development means you are either the first mover and you can make the most out of it or you get to fail fast.
- There is a growing interest from the government in helping the startup culture of Nepal.

Challenges

- Unwanted bureaucratic hurdles.
- Current political, financial and market structure is meant for established businesses to succeed and new products to not survive.
- Not finding the hustlers to work together to make an idea successful.
- Retailers do not own up to their responsibilities. You want to make your product successful, you will need to work on your own. The current market structure is only meant for retailers/outlets to take product margins and not own up to their responsibility when taking the margin. Imagine having to check on a chiller where your product is placed and you have to constantly check if it is on or not.
- Get ready to not be paid on time despite your product doing well.

Role of government in enabling startups

Government and its policies are confused. Policies say one thing, but the interpretation is another and implementation is as per their liking. For example, there is a startup funding available without collateral which is a great idea. But there are very few (maybe even zero) startups that have had the chance to utilise that. The policy implementation mechanism is non-existent.

Imagine a startup borrowing from banks at 9% or 10%. That is what you get in Nepal from the banks. You

make 50 lakhs worth of sales in a good year. In straight mathematics, the bank takes 10% of that. Now add Covid 19 or another pandemic where the government and its structures do not consider supporting startups because they are not major industry houses. Then the startup will definitely go down.

Starting a company and keeping up with the insane paperwork requirements is tedious, tiring and frustrating. Do startup founders and teams focus on proving their idea or do they focus on getting their paperwork done. Oh also, the paperwork anyone wants to get done will take months.

Recommendations

- Make it easy for startups to just get going and work on their idea. Cut red tape
- Banks should be cognisant of the fact that startups are startups. Borrowing should be made easy and friendly. Maybe even have a startup department to encourage funding, evaluation and support. These departments should work with the government and Nepali finance regulations to make policies startup friendly
- Trust startups in the fact that they will survive and make the necessary payments.
- Implement policies that reward startups that are doing well so that they are encouraged to keep performing.
- Not everybody has collateral, address this with strict policies that allow non-collateral startup funding and also ensure that startup founders are held accountable if needed.
- Startups and companies should work together to introduce reference checks and strictly make it mandatory for new hires to receive clearance and background checks. This way, employees or hirers jumping to the next big thing will think twice.

KASHYAPI NEPAL

Kishan Shrestha

Founder



Advantages

To start, the business structure is very flexible, whereby people can craft their own innovative ways to conduct various business processes. Almost everyone can learn new things easily nowadays with the help of the internet and implement those ideas to their own businesses which can help them sustain. The most exciting thing about running a startup is that you can implement whatever you take in, whatever you learn, easily and without long discussions.

Talking about the platform, Nepal as a whole is supportive to local businesses and startup businesses. Nepal has a very close link, geographically, to two huge industrially saturated countries ie. India and China, which means importing and exporting can be beneficial and relatively cheaper. The average cost of labour is also less in Nepal, which means small businesses can start with minimal capital and employ many skilled people without exploiting their needs.

Challenges

Running a successful startup can be challenging, especially when it is completely bootstrapped from the bottom. A lot of startups and businesses have entered and exited the market in a short period of

time due to many variables that turned against them. In the context of Nepal, we personally think that the factors that affect businesses, change and fluctuate very frequently. But regardless of all these facts, to be realistic, these huge policy changes have little to no influence on small scale home grown businesses because such businesses are busy cutting costs and finding new customers. Certainly, there are startups that start from a bigger scale and have better recognition in terms of success but after a certain scale, they cannot be titled a startup business.

The resources available in the market to start a new business with new ideas are very rare and scarce in Nepal. Most of the customers and people in Nepal are a little laid back on new concepts and innovations. Innovation in Nepal comes with a price, a huge price of either being approved by the consumers or not.

Role of government in enabling startups

The government has also been playing a crucial role in supporting the startup culture by separating a portion of the fiscal budget in developing and building entrepreneurship in Nepal. At this current pace and support, startups will surely be able to represent Nepal internationally.

URBANS NEPAL

Sabil Khan

Founder



Advantages & Challenges

The startup culture in Nepal has become a fashion. What is happening in recent days is that some youths think of ideas which are very common in the market and wish to earn millions of rupees through those ideas. It has also become a trend where a lot

of people think that money is everything. Also, we have all been misguided about the proper professionalism culture which is must. Anybody setting up a startup needs to follow the ethical startup discipline to first sustain and then grow.

I believe research is one of the core areas that has been neglected by newcomers. Also, funding is lacking for them. The other aspect that people need to keep in mind is one might

fail initially. Not all ideas will click immediately. There will be many hurdles that one will have to come across before one can become successful. The sustainability process has been missing among the youths and they are risking their careers.

Owning a startup is still a challenge whereby one needs to constantly work on the sustainability part. Competing in a small market like Nepal and having to deal with government policies are really tiresome. It is not that the government has not tried to help businesses. It has tried to support new businesses and the startup culture but where we are lacking is in the implementation of the policies.

The startup culture at present looks glamorous but one has to be aware that it is not only about the innovations and starting the business. One has to deal with many challenges along the way like how an established business does. I would advise those who are just starting out to not have very high expectations. Initially, one needs to be able to sustain and prove themselves and then only should they think of bigger things.

Role of government in enabling startups

The only expectation that I have from the business fraternity or even the government is support, encouragement and recognition of small business owners. Everybody concerned should realise that people like us have chosen not to travel abroad for employment but stay back and do something in the country itself. We want to develop the business scenario of Nepal and also contribute to the economy. **B**



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“The Replacement Act has increased the size of capital expenditure, lowered the recurrent expenditure, downsized the inflated size of budget, slashed the debt (as source of financing) by Rs 37 billion, increased the revenue collection target by enhancing tax compliance and set the target to spend 10% capital budget each month. Reform is a collective effort and all segments of the society should encourage and increase vigilance to ensure the political ecosystem for reforms. The only alternative to reform is more reforms and there are no ifs and buts”



Madhu Kumar Marasini

Secretary, Ministry of Finance

One of the main architects of the Replacement Bill which the government recently introduced, Madhu Kumar Marasini, Secretary at the Ministry of Finance, has garnered immense experience over the course of his career in government service. He has previously served in the Inland Revenue Department of the Finance Ministry and also at

the World Bank headquarter as an advisor in the Southeast Asia constituency.

Other sectors that Marasini has worked in are the International Economic Cooperation Coordination Division and as the Financial Comptroller General. For a brief period, he also served as the Consul General in New York under the Ministry of

Foreign Affairs. He has also headed the Multilateral Trade and Trade Assistance Division of the Ministry of Industry, Commerce and Supplies and also worked in the capacity of Secretary of the Ministry of Economic Affairs and Planning of Lumbini Province.

In early August this year, the government assigned Marasini as the Secretary of

the Finance Ministry at a time when it was in a rush to table the Replacement Bill to replace the Ordinance Budget which was announced by the previous regime. The Bill has already been ratified by the Parliament and received the President's seal.

In this issue of **Business 360**, we caught up with Marasini to gain insight into the

Replacement Act and its impact on the economy.

What are the main directions of the Replacement Act?

The Replacement Act has laid emphasis on reviving the economy that has been badly hit by the Covid 19 pandemic. We want to boost productivity and generate more employment by opening up the economy by ensuring Covid vaccines for all as well as ensuring sustained, stable and inclusive economy by maintaining fiscal discipline. We have to accelerate economic activities along with the economic revival to regain whatever we have lost on the economic front. To achieve this goal, we have to expedite development works, mainly big-ticket projects. We have envisioned to revive the economy and execute the budget in collaboration with the private sector. The private sector has an important role to play to achieve the growth target of 7% in fiscal 2021-22.

On the other hand, we had to formalise the Ordinance Budget through the Replacement Bill and it was mandatory. While tabling the Replacement Bill in the Parliament, we decided to continue with the ongoing projects, national pride projects and other committed liabilities of the government. However, we have trimmed down projects that were included in the previous budget without enough groundwork for execution and downsized the budget. We have tied up the budget with fiscal discipline and accountability. Similarly, there were rising grievances from the public that the portion of public debt has been heavily increasing over the years without efficiency in projects and programme execution. We have duly considered these issues and tried to narrow down the public debt to a possible extent through the Replacement Act.

The Replacement Act has slightly slashed current expenditure and made marginal increment in capital

expenditure. This is noteworthy as current expenditure has increased exponentially over the years.

However, capital expenditure has also witnessed slow growth. Your views.

We have downsized the Ordinance Budget and increased capital expenditure and reduced current expenditure. We have done this with the objective to tie up the budget with fiscal discipline and accountability. For the first time, the fiscal budget has envisaged to spend at least 10% of the capital budget which is actually a new practice in budget execution. Earlier, we used to review the execution status every quadrimester. The Financial Procedure and Fiscal Accountability Act (2019) has provisioned to review budget execution status on a quarterly basis. However, rather than reviewing on a quarterly basis we have given a monthly target so that the ministries can sit and review with their line agencies and projects whether they have met the monthly expenditure target or not. We believe this will help us develop fiscal discipline and put an end to the phenomenon of last-hour expenses at the end of the fiscal year. For example, the Ministry of Physical Infrastructure and Transport can review expenditure with the Department of Roads and other implementing agencies. We have provisioned monthly review mechanism after discussions with the authorities.

In line with the standard set for budget expenses the ministries have to achieve at least 10% expenditure target in the first three months of the fiscal and 10% each month for the next nine months. The Ministry of Finance is always ready to facilitate other executing agencies and ministries. We have trimmed down the projects that were included without any groundwork so that human resources can be utilised in focus areas - ongoing projects and national pride projects - where they can make progress. We are committed to increasing

capital expenditure in a focused way albeit by maintaining fiscal discipline.

The Replacement Act has laid emphasis on production based economy. It has offered tax incentives for vehicle assembling plants, and iron/rod industries, among others. However, the tax incentive provided for the iron industry basically on import of sponge iron has created dispute as those producing iron rods by importing MS billet are opposing the idea?

We have provided tax incentives for production based industries eyeing three things: to narrow down the alarming trade deficit; utilise excess electricity in the country by creating favourable ground for electricity-intensive industries; and create jobs in the country. We will have excess electricity of around 400-500 megawatts from the coming wet season and we must have proper plans to utilise that. Energy consumption status shows the potential economic progress in newly industrialised emerging economies. Electricity is a vital commodity to enhance productivity in the economy, and we are going to utilise the excess power by creating a favourable ground to set up iron industries and other electricity-intensive industries for the larger benefit of the economy.

There are no ifs and buts when it comes to moving forward towards production-based economy, creating jobs and having a growth centric approach which is why there is no hidden interest behind this provision. We have invited industries producing iron rods by importing MS billet to discuss how the government can facilitate them so that they will not get affected from the incentives being provided on import of sponge iron. If you look at our major imports, then MS billet is one among them and the government has a policy to encourage import of intermediate goods rather than finished products in the initial stage and then encourage production of intermediate

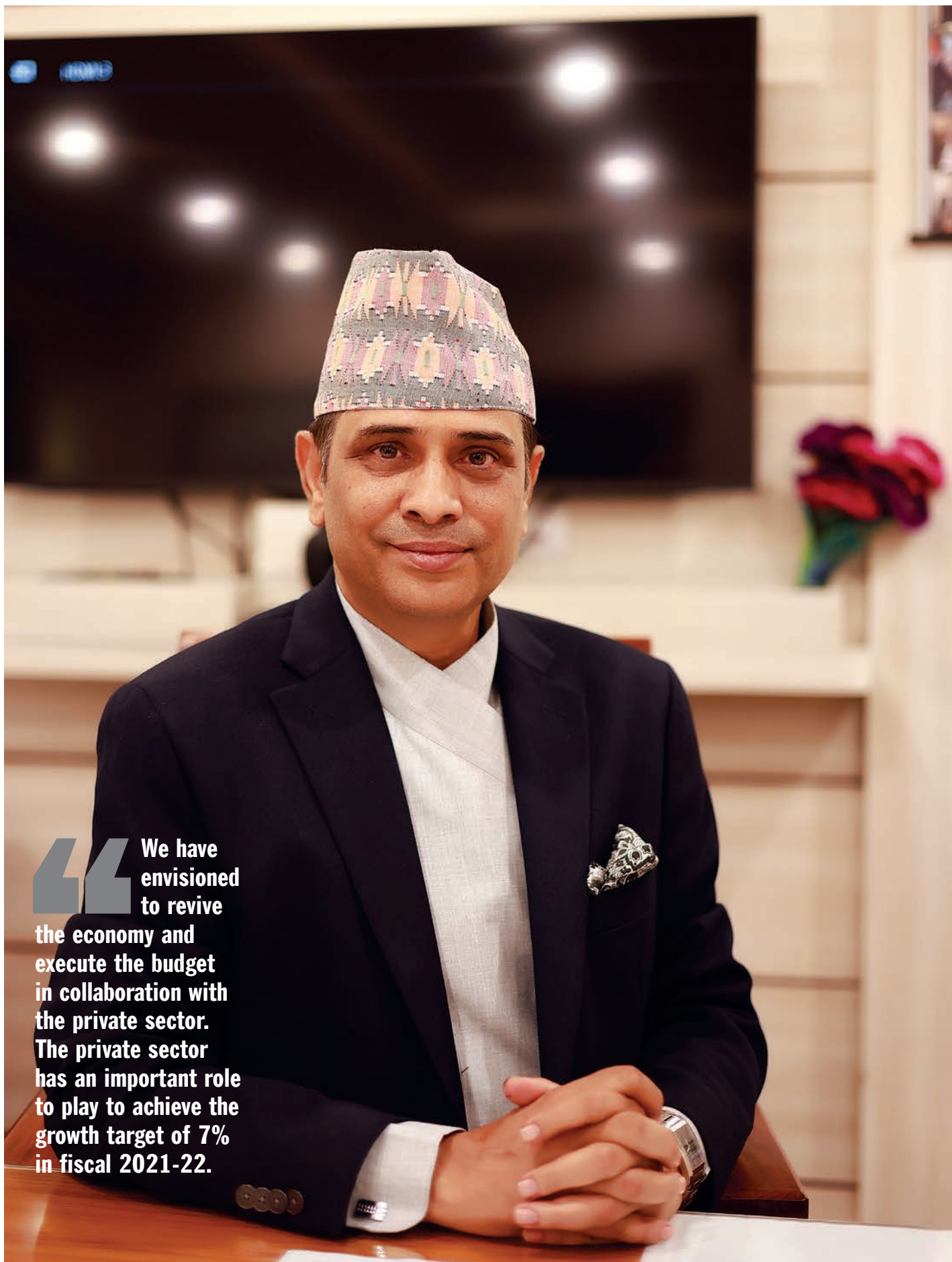
goods too through import of raw materials in the next stage. We want to establish proper backward linkages for industries to the extent it is possible within the country. It is obvious that the government will support high value addition industries to minimise the trade deficit and save our scarce foreign exchange reserves.

The government has been offering incentives on taxes and electricity among others to production units and assembly plants. However, consumers should also benefit from these incentives provided to the business community. Why are these incentives not being reflected in consumer prices?

You have rightly pointed this out. Production itself is not sufficient for the economy; at the end of the day it must be consumed and consumer perspective is an important element for the government while offering any incentive or subsidy. We have summoned factory owners and tallied the price before the announcement of the incentives and the price they quoted after the government offered incentives to these factories. For instance, we saw a slight increase in consumer prices of iron rods and we sought clarification and asked them to lower the price as they are being offered tax incentives. They were trying to justify the price by indicating to the appreciation in the US dollar, however we dismissed their claims and urged them to lower consumer price as compared to before the announcement of the new provision in the budget. They agreed to lower the price of iron rods by four rupees per kg and a new price has already come into force.

The government has set the target to achieve 7% growth in the ongoing fiscal 2021-22. Why does the government always set ambitious targets despite being aware that the prevailing circumstances make it almost impossible to achieve?

The government must be ambitious but that ambition should not sound unrealistic.



“ We have envisioned to revive the economy and execute the budget in collaboration with the private sector. The private sector has an important role to play to achieve the growth target of 7% in fiscal 2021-22.

We believe that 7% growth target is achievable provided we open up the economy in a full-fledged manner by ensuring Covid vaccines for all as early as possible and we are moving towards that direction. We should not forget we had achieved 8.6% growth in fiscal 2016-17 by expediting massive post-reconstruction work after growth had nosedived to 0.07% in fiscal 2015-16. Economic activities have stalled since one-and-a-half years following the pandemic as stringent measures were enforced to stem the spread of the virus. Economic growth went down to negative territory (-2.1%) in fiscal 2019-20 and we could hardly achieve 1% to 2% growth in previous fiscal 2020-21. We have assumed 7% growth this fiscal in the context of low base of growth and gradual revival of the economy along with the massive vaccination drive. On the other hand, we have been offering interest subsidised loan schemes, working capital facility, refinancing facility, among others to regain the accumulated loss of the last one-and-a-half years and trigger further growth. In this context, I would like to assure you that this is a realistic target.

The Asian Development Bank (ADB) has projected that Nepal's economic growth will rebound to 4.1% in 2021 (January-December). Our fiscal year calendar is quite different and we believe that economic activities and government expenses will do well and we can spur growth. One of the most important elements that we can't ignore is our economic engagement with India. Our economy is tied with the southern neighbour due to the currency peg and we have 65% trade concentration with India. Since the Indian government has targeted to achieve double-digit growth this will definitely have a trickle-down effect on our economy. Similarly, our northern neighbour China has been swiftly coming out from the harsh impact of the pandemic and we have around 12-13% trade with

China. Revival of the Chinese economy will also have some trickle-down effect on us and we must expand our economic engagement with these two emerging giants.

The Replacement Act has a provision to distribute cash grants worth Rs 10,000 each to five lakh deprived households who used to be employed in the informal sector and lost their livelihood due to Covid 19 pandemic. Could you elaborate on the mechanisms that have been put in place to check the possible misuse of funds?

Most of the countries around the world provided cash grants and other subsidies to those at the bottom of the pyramid. We have offered interest rate subsidised credit, refinancing and certain discounts on the bills of government-run public utilities. We have mainly provided the incentives to the formal sector. We have a huge informal sector and it is assumed that 60% of the jobs are generated in the informal sector — transportation, construction, daily-wage labourers, among others. Against this backdrop, the new government has decided to look after those at the bottom of the pyramid and we have earmarked Rs five billion for this purpose as one-time grant transfer through banking channel. Considering the possible misuse of funds, we have decided to transfer the grants directly to the bank accounts of the beneficiaries and the beneficiaries will be selected based on the Human Development Index (HDI) rankings - property index. Even the Finance Minister or Finance Secretary cannot add or slash a single beneficiary household in the municipality or rural municipality they belong to. The municipalities and rural municipalities are responsible for listing beneficiary households and the funds will be transferred directly to their bank accounts. Where local level is involved, everyone in the grassroots is aware about

the status of the beneficiary household. We have developed a transparent and proven procedure to hand over the cash grant to the beneficiaries and the procedure has been submitted to the Cabinet for endorsement.

How do you respond to criticism that the government announced this programme to gain popularity and influence voters in the upcoming elections?

There are always divided opinions in society. It can be an issue of debate by stating whether a small economy with limited capacity should come up with such programmes or not. If we look at other countries, a welfare state must have some schemes to incentivise the bottom of the pyramid. The cash grants distributed to deprived households will be injected back in the economy and this will create demand in our economy. This is a progressive programme. The government has announced the one-time cash grant for those who have lost employment due to the pandemic and the household has no other alternative. If any member of the family is receiving other social security allowance or they have other income generating alternatives or any member of the family is employed in a foreign country, then they will not be eligible to receive the grant. Similarly, this programme will help us expand the number of bank accounts or let's say access to banking services. If only 50% of the potential beneficiaries already have a bank account then the remaining will also open bank accounts. This will certainly expand financial literacy among beneficiary families who are going to open bank accounts for the first time. We are sensitive towards proper utilisation of taxpayer's money and have set a stringent mechanism to check the possible misuse of funds.

For the first time in the 70-year-long history of budget formulation and execution, Nepal witnessed a government shutdown this year. What are the negative consequences of the government shutdown?

It was for a short period and I have not seen any serious impact on the government. Some areas where it had an effect was for example where we had asked all ministries to delegate expenses authority to the line agencies by mid-September without delay; the shutdown for more than a week had an impact on this. We have also asked government agencies to clear the liabilities accrued by the end of each month and the shutdown definitely had an impact on government expenditure. The private sector also faced negative consequences in demand as government expenses were stalled. Banks were also under pressure to disburse loans due to tight liquidity and the interest rate on credit and deposit went up. Thus, the government shutdown had multiple impacts and consequences even in the private sector. However, it has recovered after the ratification of the budget. In the last one week, the government has spent Rs 60 billion including the outstanding dues of the shutdown period. The impacts are gradually being dealt with along with resumption of budget execution that was stalled for a short period.

The tax to GDP ratio is already on the higher side in Nepal as compared to regional economies. The Ministry of Finance has urged the tax administration to submit an action plan to double the revenue collection target. Do you think there is still room to levy more taxes without expanding the base of the economy?

We want to double our efforts to expand revenue by checking leakages, enforcing VAT bills properly or enforcing compliance and seeking other potential means to expand the tax bracket. We have instructed the tax authorities to optimise

from the existing compliance. We have to build a source of financing in the budget through internal revenue as we have slashed our dependence on borrowing or public debt.

On one hand the government has been talking about production-based economy and on the other revenue collection target has been increased. These are mutually exclusive in policy provisions.

These are not mutually exclusive. We've provided tax incentives to promote investments to create a

provision. This is not an exclusive provision offered to investors. They have to abide by the prevailing laws including Money Laundering Prevention Act, 2008. We don't allow investing funds generated through money laundering, corruption and other criminal activities defined by our law. We have already clarified this provision through a minister-level decision. We do not intend to attract investment by compromising on international compliance and prevailing national laws. This provision

“ We have trimmed down the projects that were included in the budget without proper groundwork and vowed to end the malpractice of providing funds for piecemeal projects.

ground for a production-based economy. We have a huge portion of indirect tax means mainly on the consumption side. We have the room to tighten the screws to achieve the ideal stage of tax compliance and we also have a proven mechanism for revenue collection at the source of imports. Though we have increased the revenue target, we have not increased the tax rates. We are focused on expanding the tax net, like enforcing 1% income tax at source and bringing digital transactions within the tax loop. We are going to achieve the target through reforms and enhancing efforts on enforcing VAT bills, checking non-filers, internal audits, recovery of outstanding dues and preventing leakages.

The Replacement Act has announced amnesty to the provision of declaring source of funds while investing in infrastructure projects. Why has the Finance Ministry overlooked the compliance on money laundering prevention while announcing this provision?

Let me clarify on this

is to attract investment from the informal sector to the infrastructure sector till mid-April 2023 as we need more investment for the revival of Covid 19 hit economy.

Public debt to GDP ratio has already reached 40.5%. Is this not alarming when you consider the efficiency of project implementation?

This is not alarming. We have clearly mentioned in the Replacement Act that public debt will be utilised for productive sectors and capital formation. We must enhance efficiency and need to consciously look at the rate of return, asset creation, capital formation and debt servicing. Considering all these aspects we have downsized the internal borrowing and debt by Rs 37 billion in the budget, which is a substantive amount. The public debt position of 40.5% is moderate and we still have enough fiscal space under the circumstances of our efficiency. If we become more inefficient then we can say the public debt position is already on the red line or border line.

We have been indecisive since long regarding the grant worth \$500 million to be provided by the Millennium Challenge Corporation (MCC). You were involved in bringing MCC Compact in Nepal but are now silent at this critical juncture to mobilise this aid.

The Finance Ministry has already given its stance and we are committed to taking forward the pact as agreed earlier. As a civil servant, there is no significance of speaking publicly about it. The Compact (agreement) has already been tabled in the Parliament and lawmakers are the custodian of this agreement. It largely depends on the political decision. The government has signed the Compact with the US and we are obliged to take it forward. The groundwork to execute the electricity transmission project (ETP) and road maintenance project (RMP) within five years is almost done. The development committee under the Ministry of Finance — Millennium Challenge Account (MCA) Nepal — has made rigorous effort to complete all the groundwork to complete the project within five years once implementation begins. The government had sought clarification from the MCC based on the questions raised by the public. In the covering letter dispatched to MCC, we clearly mentioned that these are the questions being raised by certain sections of our society, civil society, media and intellectuals and the response from the MCC has already been made public. We hope the misunderstanding among the people has been cleared. However, ultimately it is a political (parliamentary) decision to take forward the Compact signed with MCC.

As Secretary of the Ministry of Finance what are your future plans to bring structural transformation in the economy?

I am thinking of ushering in reforms on the institutional and legal fronts to leverage the efficiency of government services, expenditure as

well as to lure private sector investment. I have the conviction to introduce some game-changer projects. I have worked hard to mobilise Japanese assistance in the Nagdhunga tunnel road project. My priorities will be addressing infrastructure impediments for public facilities and minimising the cost of doing business. Expressways, tunnel roads, dry ports, efficient and cheaper transport, ensuring reliable supply of electricity and quality internet services throughout the country are my priorities. Most importantly as the Finance Secretary, I have prioritised reforms by maintaining fiscal discipline and financial accountability, and ensuring stability as well as sustained and inclusive growth. You can see the start of public finance management (PFM) reform in the Replacement Act of this fiscal. We have trimmed down the projects that were included in the budget without proper groundwork and vowed to end the malpractice of providing funds for piecemeal projects. The Replacement Act has increased the size of capital expenditure, lowered the recurrent expenditure, downsized the inflated size of budget, slashed the debt (as source of financing) by Rs 37 billion, increased the revenue collection target by enhancing tax compliance and set the target to spend 10% capital budget each month. Reform is a collective effort and all segments of the society should encourage and increase vigilance to ensure the political ecosystem for reforms. The only alternative to reform is more reforms and there are no ifs and buts. We have also announced to set up High-Level Tax System Reform Committee to bring reforms in taxation. I have spent almost 26 years of my career at the Finance Ministry and learned a lot from my predecessors. I want to carry forward the reforms accordingly. **B**



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HAPPY VIJAYADASHAMI



HELICOPTER SERVICES TACKLE UNCERTAINTY

Text: Sadiksha Chitrakar

Over the past few years, helicopter services have seen an increased demand in the tourism and medical sectors of Nepal. "As the topography of our country is complex with places that are accessible only by helicopters their use, especially for evacuation purposes, has been growing quite considerably," says Murali Dhar Joshi, Head of Administration and Finance of Simrik Air. "Moreover, since the government adopted a more liberal aviation strategy in 1992, helicopter services have become one of the most crucial forms of transportation across the country," he adds.

At present, there are 11 helicopter service providers operating in the country, with a total of 35 helicopters in operation. "The Airbus AS350 model is the most widely used helicopter in Nepal besides Bell, Robinsons and MI17," shares Joshi. He further states that previously heavy-lift helicopters were common in the country but these days there is demand for small and medium helicopters.

Helicopter companies over the years were witnessing significant growth with many more people availing their services until the Covid 19 pandemic struck in early 2020. "None of us were prepared for this crisis which consequently hit the helicopter industry too," says Shree Hari Kuikal, Chief of Operations of Kailash Air. He adds that with travel restrictions imposed by the governments of practically all the countries across the world there was no flow of tourists and this severely impacted them.



"As the topography of our country is complex with places that are accessible only by helicopters their use, especially for evacuation purposes, has been growing quite considerably"

Murali Dhar Joshi
Head of Administration and Finance, Simrik Air

Kuikal shares that due to the pandemic most helicopter companies have lost about 75% of their business. "Now with things seeming to settle down, we hope we can pick up from where we left off," he says. He adds that there will be unforeseen challenges in any line of business that one is involved in and all we need to do is take stock of the situation, change and adapt, if one wants to survive. As a result, companies are now focusing more on local travellers rather than just waiting for foreign tourists to arrive. "In the last two years since the outbreak of the coronavirus pandemic most companies have started focusing on providing services related to pilgrimages, medical evacuations and cargo," says Joshi. To sustain their business, helicopter companies have begun introducing various packages to attract domestic tourists.



"In business we have to learn to adapt to the changing situation and introduce changes if you want to survive."

Shree Hari Kuikal
Chief of Operations, Kailash Air

Among the packages being offered the one related to sightseeing in the Gosaikunda area was the most sought-after last year, shares Kuikal. "Despite facing problems due to the pandemic, there were nearly 12,000 domestic tourists who availed this package last year," he adds. The other package that is quite popular is the one to Everest Base Camp but this is mostly sought by foreign travellers, he mentions.

"The pandemic has affected us considerably but we expect things to get better now as the government has also relaxed certain provisions for foreigners to visit the country," says Joshi. "It is during such times that concerned authorities should study the situation properly and introduce policies that can boost local businesses," he elaborates adding that it is not only about helping helicopter companies but also businesses related to other aspects of tourism like hotels and trekking. "We have to realise that the tourism industry is very interconnected and interdependent so for the

entire industry to flourish all the linkages must be up and running," he emphasises.

Both Simrik Air and Kailash Air fly to destinations across the country and their main services are usually related to rescue operations and sight-seeing. "However, one needs to note that sight-seeing services are offered in correspondence to the season and also the weather conditions of the respective destinations," he shares.

Both Kuikal and Joshi share that the high-selling packages are related to the Everest, Manaslu and Annapurna regions. They also mention that another high-selling package is the one to Shey Phoksundo. The other packages that also have quite a number of customers are for Muktinath, Kailash and Dhaulagiri regions.

The tourism industry in Nepal has been a growing sector since the first foreigners arrived in the country and it has become the mainstay of the national economy. Its contribution to the national gross domestic product stood at 6.7% in 2019. Moreover, it was also responsible for contributing 6.9% of the total employment in the country. The figures clearly indicate the importance of the tourism industry in the country but it does have its fair share of problems.

Besides the recent crisis brought about by the pandemic the other areas that most tourism business have faced over the years are regarding operations and regulatory issues, says Joshi, adding that the helicopter sector has been facing a major problem of lack of skilled human resources.

Kuikal adds that another challenge they constantly face is related to air congestion at Tribhuvan International Airport, which is the main and probably the only hub for helicopter service providers in Nepal. "Air traffic congestion is something that is beyond our control or management and is solely connected to the government," he shares, adding that it is time that the government develop another international airport at the earliest. "It is not only helicopter services being affected but fixed-wing operators too have had to deal with this problem."

"Interestingly, though helicopter services at times could be the only viable means of transportation, local authorities at times make it difficult to access their respective areas", says Kuikal. "Leaving aside the use of helicopters for tourism purposes there are many times when we need to reach a certain destination for some emergency evacuation but the time that we have to wait to receive permission from the government is very lengthy," he states.

Both Joshi and Kuikal mention that the coordination between local level governments and the central authorities is very weak causing unwanted delays when there are situations where time is the most determining factor like in medical emergencies. They both say that this particular coordination is of utmost necessity because there are places in Nepal where helicopter is the only means during medical emergencies or rescue operations.

"It is not that the government has not been addressing the obstacles that helicopter companies have been facing but some regulatory approvals are very cumbersome. The procedures especially needed for flight permission should be streamlined," says Joshi.

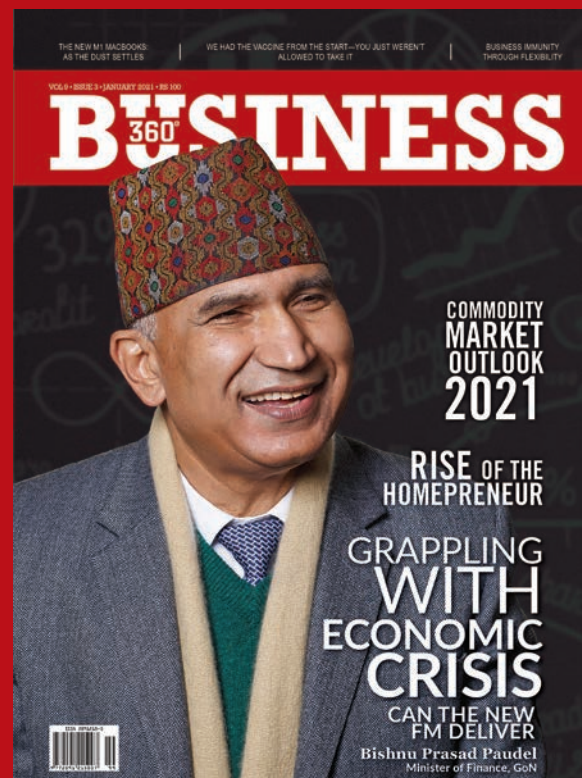
According to Kuikel, helicopter companies offer their services on the request of travel agencies and at times insurance companies. "We do not fly to any place without confirming and getting all the relevant information about the clients and also after we have received permission for the flight from the concerned government authority," he stresses. There are rules to be followed which we duly do and it is not only us but others too which have been following the best business practices, he adds. "But the lengthy flight approval process increases our cost of doing business."

Another area that helicopter companies have to face problems in Nepal are related to insurance, shares Joshi. He explains that insurance companies across the world have been selling insurance schemes and settling claims for travel and expeditions to Nepal but their legal methods regarding claim validations and settlements do not fall under the legal jurisdiction of our country. This, he says makes it difficult for proper and formal validation of claims for insurance companies abroad and for settlements for rescuers or operators.

Joshi adds that we need to understand that foreign travellers could also face certain risks when they are in Nepal. "So, it would be a lot easier for everybody concerned if insurance laws here could address the problems of claim validations and operator/rescuer settlements.

"Despite the woes, the helicopter industry is still a burgeoning sector in Nepal and if we are able to introduce compatible policies and regulations then the sky is the only limit for helicopter companies here," concludes Kuikal. **B**

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MINTTHECOIN: ECONOMIST EXPLAINS PROBLEM WITH JUST MINTING \$1 TRILLION COIN TO PAY THE GOVERNMENT'S BILLS

Here's why the fantastical notion of a trillion-dollar coin appearing out of thin air to pay the bills is so appealing—and perilous.



BRAD POLUMBO IS A LIBERTARIAN-CONSERVATIVE JOURNALIST AND POLICY CORRESPONDENT AT THE FOUNDATION FOR ECONOMIC EDUCATION.

Gridlock in Washington DC continues amid a fight over raising the debt ceiling, the legal limit on how much the federal government can borrow. Right now, the federal

government will be unable to pay its bills on October 18 if the limit isn't raised, which would prompt a default with disastrous economic ramifications. The most likely outcome is that Congress, in one way or another, comes together to raise the limit. But the deadlock is leading some progressives to push for an extreme and unusual solution.

What if the Treasury Department simply minted a \$1 trillion platinum coin, deposited it, and used it to pay its bills without taking out new debt? Yes, seriously. The idea sounds fantastical, but is gaining traction.

"President Biden does have an ace in the hole if Congress doesn't suspend the debt limit," left-leaning economist Dean Baker wrote for CNN.com.

"Due to a technicality in the law, the Treasury Department can print a platinum coin and assign a huge value to it—say, \$1 trillion—and sell it to the Federal Reserve Board. This would get around the need to borrow."

Others share Baker's view. Writing for the Washington Post, Zachary D. Carter described the solution as "perfectly painless" and "economically meaningless." New York Times columnist and left-wing economist Paul



Krugman has endorsed the idea, as have members of Congress including Reps. Rashida Tlaib and Jerry Nadler.

But if this admittedly novel solution sounds too good to be true, that's because it is.

In fact, there's an intense debate over whether the federal government actually has the legal authority to pursue such a scheme. Florida Atlantic University economist and monetary policy

4 One of the most glaring concerns people raise with the idea is that minting a \$1 trillion coin would lead to inflation by increasing the money supply while the economy otherwise is unchanged.

specialist William J. Luther told FEE in an interview that he believes minting a \$1 trillion "token" coin would be unlawful. For wonky legal reasons explained in this thread.

More importantly, it's a bad idea on the policy front. For one, it undermines citizen accountability for the federal government's spending policies.

"We don't want bureaucrats at the Treasury circumventing the rules established by Congress,"

Luther says. “If Congress wants to spend more without raising taxes, it needs to raise the debt ceiling. If it does that, voters can hold these elected officials accountable. But if you don’t have that vote, it’s hard to hold people accountable.”

Moreover, the economic ramifications of minting a \$1 trillion coin are grave.

One of the most glaring concerns people raise with the idea is that minting a \$1 trillion coin would lead to inflation by increasing the money supply while the economy otherwise is unchanged. But Luther explains that the Federal Reserve would likely counteract this effect.

“The Fed would neutralise the monetary effects of this coin by selling some of its treasury holdings back to the public and destroying the money it received,” the economist said. “On the one hand you have the Treasury creating a \$1 trillion coin, on the other hand you have the Fed contracting the money supply by \$1 trillion... so there’s no net monetary effect.”

This means inflation isn’t necessarily a worry—but also reveals why the \$1 trillion coin is not actually “painless” or “economically meaningless.”

“Yes, it’s a way around the debt ceiling,” Luther explained. “But a trillion dollars that used to be in the private sector is now in the public sector.”

“There is a real resource constraint,” he continued. “Typically, if the government does more, the private sector does less... with some exceptions. Generally, markets do the best they can with the resources they have. So, if the government bids more of those resources into its own projects, it is necessarily bidding those resources away from the alternative projects they would have been used to pursue. It doesn’t matter how they’re funded... those real resources are in the economy, the question is whether they’re going to be used by the public sector or the private sector.”

“We’re going to spend that \$1 trillion on something,” Luther said. “If you spend a portion building a road, you’re going to have to hire employees, which

means you’re bidding them away from other pursuits. You’re going to have to acquire machinery, which means you’re bidding away machinery from other projects. Those real resources are not going to be available for other purposes. Whenever the government is using real resources, that necessarily means someone else in the economy—the private sector—is not using those resources.”

Odds are, the bureaucratic and inefficient federal government will make worse investments with these resources than the private sector would have. After all, the free market allocates resources where they’re needed most in accordance with price signals. The government allocates resources based on lobbying and politics. So, it’s not even just a 1-1 trade-off facing us in the coin-minters’ fantasy, but likely even more lost in economic fallout.

Why does this matter? Well, progressives pushing this scheme are desperate to find a way they can fund their endless government spending ambitions and expansions of the welfare state without having to pay the price or deal with any consequences. That’s why the fantastical notion of a trillion-dollar coin appearing out of thin air to pay the bills is so appealing.

But there’s simply no getting around the basic economic reality of trade-offs and scarce resources, no matter how clever the scheme. Ultimately, government spending has costs that cannot be avoided; no matter how many trillion-dollar coins the Treasury mints. **B**

Source: fee.org

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UNDERSTANDING THE REPLACEMENT ACT AND WHAT IT ENTAILS

Text: Pushpa Raj Acharya

The newly formed government has reviewed the provisions of the fiscal budget 2021-22 that was issued through an ordinance by the previous government led by KP Sharma Oli. The Replacement Bill to replace the Budget Ordinance was endorsed by the Parliament on September 20. The Replacement Act has reviewed the budget size, source of financing, projects and programmes, tax rates, incentives and also made some new announcements to lure investment and increase efficiency in budget execution.

The total size of the budget has been downsized from Rs 1,647.57 billion earlier to Rs 1,632.83 billion for ongoing fiscal 2021-22. Similarly, it has reviewed the source of financing along with changing the figure of the budget.

Source of financing	Ordinance Budget (Rs in billion)	Replacement Act (Rs in billion)
Revenue	1024.9	1050.82
Foreign Loan	309.29	283.09
Foreign Grants	63.37	59.92
Domestic Debt	250	239
Total Budget	1647.57	1632.83

The revised budget presented as the Replacement Bill by Finance Minister Janardan Sharma has lowered the country's dependence on debt - both foreign and domestic - as well as envisioned to optimise revenue without substantive revision is tax rates. The Finance Minister has said the revenue target of Rs 1,050.82 billion will be achieved through proper enforcement of

tax compliances, expansion of the tax net, and prevention of revenue leakages.

The overridden public debt has been consistently questioned by the public as the country has been taking loans without improving efficiency in executing development projects, capital formation and enhancing productivity to rationalise that public debt has been spent properly. The country's public debt position has almost doubled in the last four years from Rs 917.31 billion in fiscal 2017-18 to Rs 1,728.43 billion till last fiscal 2020-21. Debt to GDP ratio stands at 40.5% and the rapidly rising debt has been narrowing the fiscal space.

Against the backdrop of slow growth of capital expenditure against increasing recurrent expenditure, the replacement budget has increased capital expenses

and lowered the recurrent expenditure of the Ordinance Budget. The Ministry of Finance has said it has trimmed down the projects - basically political pet projects - incorporated in the budget without any groundwork like pre-feasibility and feasibility study to take forward the projects towards execution. Minister Sharma has expressed commitment that the Finance

Ministry will not issue any guarantee of providing resources for such piecemeal projects. Such malpractices have been deep rooted in the Ministry thus depleting the national coffer.

Former Advisor to the Ministry of Finance, Economist Keshav Acharya, says that development (capital) budget has been crawling, however there has been an exponential

The country's public debt position has almost doubled in the last four years from Rs 917.31 billion in fiscal 2017-18 to Rs 1,728.43 billion till last fiscal 2020-21. Debt to GDP (gross domestic product) ratio stands at 40.5% and the rapidly rising debt has been narrowing the fiscal space.

surge in recurrent expenditure. "We must make the authorities responsible to execute the budget properly," he added. In the last five years - between fiscal 2016-17 to 2020-21 - recurrent expenditure surged

by 74% whereas capital expenditure has grown by merely 9.75%. In fiscal 2016-17 allocation on recurrent and capital expenditure was Rs 545 billion and Rs 311.95 billion respectively. Likewise, in last fiscal 2020-21 allocation on recurrent expenditure surged to Rs 948 billion while allocation for capital expenditure was Rs 342 billion.

Meanwhile, Binod Chaudhary, President of Chaudhary Group and the only Forbes listed billionaire of Nepal, says the country is spending Rs 85 as administrative cost to make an investment of Rs 15 for development works and what is worse is that a large chunk of the allocated amount for development works remains unspent. "Poor infrastructure is the major impediment for the expansion of private sector," he states, "The government should keep an eye on how other countries are developing their infrastructure and providing incentives for investors to enhance the production base."

Chaudhary further states that there should be a perfect blend of economic managers and political activists in national politics to bring about change citing the example of how former Indian Prime Minister PV Narasimha Rao inducted an apolitical person, Manmohan Singh as the Finance Minister, who is credited for modernising the Indian economy through deregulation and vast reforms.

In the context of increasing recurrent expenses the Replacement Budget has made some course correction on

Title	Ordinance budget (Rs in bn)	Percent	Replacement budget (Rs in bn)	Percent
Recurrent	678.61	41.2	677.99	41.52
Capital	374.26	22.7	378.10	23.16
Financing	207.97	12.6	189.44	11.6
Fiscal Transfer to subnational govt	386.71	23.5	387.30	23.72

expenditure pattern by slightly increasing capital expenditure as compared to the Budget Ordinance.

Replacement Bill: A mandatory provision

On July 12, the mandamus order of the Supreme Court revived the Parliament and urged the President to appoint Sher Bahadur Deuba, who had garnered support of a majority of the parliamentarians, as Prime Minister as per section 76 (5) of Nepal's Constitution. Erstwhile Prime Minister KP Sharma Oli, who had dissolved the House of Representatives on May 21, announced the fiscal budget of 2021-22 through an ordinance.

Along with the formation of a new government and revival of the Parliament, it was mandatory for the newly formed government to table the Ordinance. They brought the Replacement Bill after the Ordinance did not receive the Parliament's nod. Due to the continuous sloganeering by the opposition CPN UML lawmakers, the Ordinance could not be approved within 60 days of it being submitted at the Parliament on July 18. The deadlock caused a government shutdown for a week until the Parliament passed the Replacement Budget on September 20. Madhu Kumar Marasini, Finance Secretary, has said the Replacement Bill was mandatory following the revival of the Parliament.

Distributive approach

Meanwhile, Finance Minister Sharma has also followed competitive populism through the budget though he has often talked about fiscal discipline and accountability.

The Replacement Act is focused on boosting production, embracing entrepreneurship and optimising tax collection through proper enforcement of tax compliances as well as preventing leakages.

The fiscal budget has a provision to distribute one-time cash grant of Rs 10,000 to five lakh deprived families who lost jobs due to the Covid 19 pandemic. "We have addressed the formal sector through different schemes including subsidised loans, refinancing, and other fiscal and monetary incentives," said Minister Sharma, adding, "Though a large number of jobs are generated by the informal sector the state had not addressed the plight of those who suffered after losing livelihoods due to the pandemic so we introduced this grant." The government has earmarked Rs 5 billion for this programme and the cash grant will be transferred through bank accounts based on the list of eligible beneficiaries prepared by the local level governments. Those receiving other social security allowances and with other alternative income sources or if any of the family members are working abroad will not be eligible to receive

the cash grant. The Ministry of Finance has submitted the guidelines to transfer the cash grant to the Parliament and the provision will come into effect once the guidelines receive a nod from the Parliament.

Addressing the Controversy

The Ministry of Finance has clarified the controversy on the provision of relaxing the disclosure of income source. The Replacement Bill has relaxed the disclosure related provision while investing in the infrastructure sector till mid-April 2023. However, this provision has raised eyebrows and the government has been criticised for favouring the flow of illicit capital. Against this backdrop, the Ministry has clarified through a minister-level decision that capital suspected of having been gained through money laundering, corruption and other criminal activities that are prevented by the prevailing laws will not be allowed to invest.

Focus: Production, jobs and tax

The Replacement Act is focused on boosting production, embracing entrepreneurship and optimising tax collection through proper enforcement of tax compliances as well as preventing leakages. The Replacement Budget has envisioned creating at least 500 enterprises in one municipality/ rural municipality by providing subsidised loans. The budget has earmarked funds for the interest subsidised credit scheme that is being executed since long basically for MSMEs, women, Dalits, marginalised people and migrant returnees. The government expects this scheme will help expand the

MSMEs sector which is critical for inclusive and sustained growth as well as for economic stability.

Similarly, the government has provided tax incentives to production industries and assembling plants. The government has waived the customs duty on the import of sponge iron that is used to produce billet in the country. Similarly, the Replacement Budget has lowered the excise duty on billet produced in the country. MS billet is one of the major imports of the country, and the Ministry of Finance has said the scheme is being given to substitute the import of billet and boost domestic production of the commodity. According to Finance Secretary Marasini, the government has introduced this policy to consume the excess electricity produced in the country by promoting electricity-intensive industries as these industries create more jobs as they are labour intensive too. On the other hand, Marasini has said the import substitution will help to narrow down the alarming trade deficit and save foreign exchange reserves.

The government has discouraged the import of billet by increasing excise duty to Rs 2.50 per kg from Rs 1.65 per kg earlier. The Replacement Budget has kept the 5% customs duty on import of billet unchanged in a bid to discourage imports. Industries importing billet have said the government policy is biased against them as there was similar duty on both sponge iron and billet in the past. The opposition leader and former Prime Minister KP Sharma Oli has termed this policy provision as 'policy corruption'. The Replacement Budget has also provided incentives to assembly plants but the import of finished products, mainly two-wheelers has become dearer. The government has raised excise duty from 40- 50% on 125 to 155 cc and 50- 60% on 200 to 250 cc two-wheelers. **B**



Craft Revivalist & Entrepreneur

With a keen interest in metals and crafts, Nidhi Todi, Founder of Dhaatu Nepal, an entity of MC Group, studied jewellery designing at the Gemmological Institute of America to hone her skills in the art she loves. Working with metals such as gold, silver and brass is her forte and she continued this passion for over eight years until she got married. "In between getting married and starting Dhaatu I also was involved with designing and exporting felt toys to stores but I knew my calling was always with crafts and metals," Todi mentions.

Regarding her felt business Todi says, "I was collaborating with artisans, teaching and training them and then making products for export but I felt the need to set up my own factory if I wanted to fully realise my dream."

Why metals? After a lot of research and in-depth study of the market in Nepal, Todi learned that the metal craft industry is a heritage industry with a lot of scope. "During my research I visited many metal clusters in India and discovered that metalware has an international appeal and great export potential, but it was a dying craft in Nepal. I felt a sense of purpose and thus the birth of Dhaatu Nepal," she states.

Dhaatu was founded in November 2020. "It was easier for me to establish a copperware business as my family already owns Nepal's largest metal recycling plant, Hanuman Metals, from where we can source our copper sheets and I would always get the raw materials at the cheapest price," she shares. It was not only the availability of the raw materials but also the health benefits that copper has which impelled her to start Dhaatu. The other reason for



NIDHI TODI
FOUNDER, DHAATU NEPAL

setting up Dhaatu, elaborates Todi, is also to have a positive impact on the community by reducing e-waste and upcycling them to make meaningful products. She adds, "I also wanted to revive an industry that was dying and provide employment to artisans to create better livelihood for them."

Dhaatu creates products that are modern and in sync with the current demands of the market. Todi refers to Dhaatu as a 'waste to wellness' brand as products are made through upcycling. The company extracts copper from electronic wastes such as mobile phones and electronic goods and also from local scrap dealers in Nepal and then crafts them into high utility household products. According to her, "The beauty of copper is that you can recycle it infinite number of times without losing its value and quality which means recycled copper is as good as it was the first time."

She shares the company uses copper extracted from

e-waste making it environment friendly. She says, "The e-waste problem is going to be a major problem in the future so Dhaatu is contributing to the environment by recycling metal waste which would take close to 80 years to decompose."

Since copper utensils are considered to have many health benefits, Dhaatu is more focused on producing products such as water jugs, glasses and bottles. "Water which has been stored in copper utensils makes the water alkaline and such water has anti-ageing properties and hydration, skin health, and other detoxifying properties," she explains. "It also helps lose weight and supports the immune system." Talking more about the health benefits, she adds copper and ayurveda have a very close affinity. "As per ayurveda, water stored in copper bottles overnight is called 'tamrajal' which is considered to be the purest and most beneficial water to drink."

Dhaatu at present is mostly targeting people who are health and environment conscious

and has also been taking orders from corporate houses for customised products with logos of the respective companies etched on them, says Todi. She shares that in recent days the demand for Dhaatu products has considerably risen among fitness and wellness enthusiasts, mostly between the ages of 20 and 45.

As customers are very price conscious these days, she says, the company has been offering products that range between Rs 900 and Rs 2,000. "Our products are available online too," she adds.

The response to Dhaatu's products has been really good and within a year of its establishment the company has been exporting to Japan and South Korea too. "We are one of the first Nepali brands in those countries and we have also sent our samples to the US," Todi says, adding that the next step for the company will be to manufacture brass gifting products which is being launched for Dashain this year. **B**

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beed's take on the market

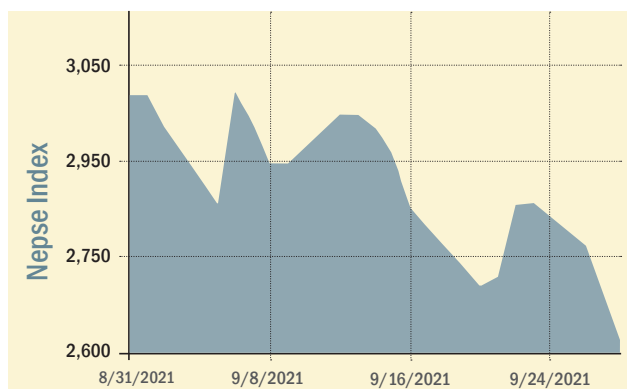
The Nepal Stock Exchange (NEPSE) index fell by 429.46 points (-14.10%) to end at 2,615.40 points during the review period of August 30 to September 28. The review period contrasted sharply with prior times when the benchmark index had broken new ground by surpassing 3,000 points. The major reason behind the current downfall has been attributed to the high selling pressure as the festive season of Dashain and Tihar are approaching and investors usually try to cover their festival expenses during this time of the year. Besides, the loan against shares limit of Rs 120 million set by the government has also caused investor morale to fall further. As a result, the total volume during the review period went down by 48.37% in comparison to an increase by 79.48% in the last review period, and stood at Rs 159.825 billion only.

During the review period, contrary to the previous review period, all of the sub-indices landed in the red zone. The Finance sub-index (-32.98%) was the biggest loser as share value of ICFC Finance (-Rs 446), Gurkhas Finance (-Rs 406) and Goodwill Finance (-Rs 359) went down. Hydropower sub-index (-22.52%) was second in line with decrease in the share

value of Ngadi Hydropower (-Rs 362), Arun Valley Hydropower (-Rs 317) and Arun Kabeli (-Rs 311). Likewise, Development sub-index (-19.63%) followed suit with fall in the share value of Excel Development (-Rs 473), Corporate Development (-Rs 260), and Miteri Development (-Rs 202).

Non-life insurance sub-index (-19.63%) dropped as share value of Rastriya Beema Company (-Rs 2,554), Shikhar Insurance (-Rs 309) and NLG Insurance (-Rs 291) went down. Similarly, Life Insurance sub-index (-16.33%) also fell marginally with decrease in the share value of Life Insurance Company (-Rs 420), Nepal Life Insurance (-Rs 262) and National Life Insurance (-Rs 239). The Others sub-index (-16.13%) also witnessed a decrease in share prices of Citizen Investment Trust (-Rs 532) and Nepal Telecom (-Rs 172). Microfinance sub-index (-15.50%) was also on the losing side with fall in the share prices of National Microfinance (-Rs 624), Global IME Microfinance (-Rs 538) and Janauttan Samudayik Microfinance (-Rs 529).

Along the same lines, Hotels and Tourism sub-index (-11.96%) fell as share value of Oriental Hotel (-Rs 89),



Source: Nepal Stock Exchange Ltd.

Taragaon Regency (-Rs 46) and Soaltee Hotel (-Rs 26) decreased. Manufacturing and Processing sub-index (-11.24%) subsided due to slack in the share prices of Bottlers Nepal (-Rs 516), Himalayan Distillery (-Rs 496) and Shivam Cements (-Rs 319). Likewise, Commercial Bank sub-index (-6.28%) also fell marginally with slump in the share value of NIC Asia Bank (-Rs 61), Kumari Bank (-Rs 59) and Agricultural Development Bank (-Rs 50).

News and Highlights

Considering the impact of the recent Monetary Policy 2021/22 released by the Central Bank, the Share Market Reform Struggle Committee (Share Laganikarta Sangh Nepal) has advised the government, Nepal Rastra Bank, Securities Exchange Board of Nepal (SEBON) and Nepal Stock Exchange (NEPSE) to give special attention towards the measures of the Monetary Policy and the impact it can have on the secondary market. The association has submitted a memorandum to the Finance Minister demanding the removal of Rs 40 million and Rs 120 million margin loan limit and the CD ratio provision. The committee has suggested stakeholders consultations and reviews should be done regarding such limits as they believe that the stock market should not be regulated by such

measures and that such limits should be removed.

On the public issue front, SEBON has added the IPOs of Rapti Hydro and General Construction Company worth Rs 294 million to its pipeline. Siddhartha Capital has been appointed as its issue manager. Likewise, SEBON has also approved the issuance of right shares of Excel Development Bank worth Rs 243.33 million. NIBL Ace Capital has been appointed as the issue manager.

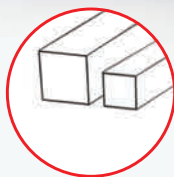
Outlook

During the review period, the market saw its worst drop since the onset of the pandemic. Throughout the review period, investor confidence appeared to be poor. Aside from secondary market, investor activity in the primary market is continuing to dwindle. Low liquidity in the banking system, new policy measures, and market timing as key festivals approach are all contributing to the present selling pressure in the market. As the financial sector struggles with restricted liquidity and rising interest rates, the market's future trajectory is expected to be volatile. **B**

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	Aug 30th, 2021	Sept 28th, 2021	% Change
NEPSE Index	3,044.86	2,615.40	-14.10%
Sub-Indices			
Commercial Bank	1,995.02	1,869.71	-6.28%
Development Bank	5,906.82	4,747.39	-19.63%
Hydropower	3,593.56	2,784.16	-22.52%
Finance	3,290.46	2,205.34	-32.98%
Non-Life Insurance	14,162.55	11,383.04	-19.63%
Others	1,975.08	1,656.57	-16.13%
Hotels and Tourism	3,521.72	3,100.37	-11.96%
Microfinance	5,813.49	4,912.58	-15.50%
Life Insurance	17,273.74	14,453.13	-16.33%
Manufacturing & Processing	7,089.77	6,292.53	-11.24%

Source: Nepal Stock Exchange Ltd.



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Commodities Supercycle Continues



Vivek Risal is the Country Program Coordinator at IMFA Global, a globally reputed brand for facilitating financial markets training. He can be reached at vivek@imfaglobal.com



In my earlier article titled *New Commodities Supercycle* published in April, the concept of a supercycle was dissected with an assumption that we may be entering a commodities supercycle. Fast forward to October and the supercycle's trajectory appears to be gaining momentum as we enter the last quarter of the year. The various reasons supporting this argument are the unanimous low rates declared across economies and the hawkish outlook on the demand as the global economy emerged from the pandemic; battered and bruised but raring to rise once again. One of the assumptions doing the rounds was that demand would outpace supply after a year in lockdowns and prohibitory orders with consumers having excess to spend coupled with governmental programs on infrastructure and electrification that would lead to price rise for raw materials and equipment.

Price Rise in Commodities

With reference to the IMF's Global Price Index of All Commodities, prices of the commodity - in aggregate - have shot up since the pandemic caused havoc in the early half of 2020. The increase in the prices of commodities since has so far

exceeded the last supercycle of the early 2000's driven by the emerging markets with China, Brazil, Russia and India at the forefront. The prices continued to rise till 2008 when oil prices reached an all-time high.

Monetary support continues to be bullish on the macroeconomic front. The head of central banks around the world has maintained an accommodative stance with the recent example of Chairman Jerome Powell as a glaring example. The opinion across the central banks is that the inflationary pressure which has emerged in certain sections of the economy are transitory. This dictates that there is no pressing need to remove monetary support and initiate increase in the rates. In the US, the Senate managed to pass a \$1 trillion infrastructure bill that now requires to be approved by the House of Representatives.

Cooling Chinese Demand

China, hailed as the world's largest buyer of commodities, has projected its outlook as less bullish as per various news sources. The nation's economic growth is positive but is cooling as compared to the first six months of 2021. Local Covid outbreaks in various parts of the country along with less than expected government spending have attributed to an average

economic environment. The government of China has set its sights on the commodity market with more active roles in recent days.

To stabilise the prices of certain commodities, the government has intervened to bring composure in the financial markets. This has resulted in incurring dampening effects on the Chinese sensitive commodities including iron ore and copper.

Energy Shift

Oil prices have continued their quest into bullish territory from the pandemic lows of 2020 and have breached the \$75 per barrel resistance level. At the recent OPEC meeting, members agreed to pump production by 400,000 barrels per day. This news was greeted with mixed response with analysts signaling that this could limit further price gains. However, the lesser commodity in the energy category has garnered more attention.

Natural gas prices had recorded the highest price of \$6.331 per MMBTU on September 28, the highest since February 2014. The bullish ride was supported by low storage levels, competition for LNG cargoes from Asia, and expensive carbon allowance for emissions. LNG export demand is strong due to bullish

international prices driven by low domestic storage levels as the markets will slowly transition into the winter season.

Developing Risks

The various elements of a supercycle have remained unchanged; fiscal spending, monetary stimulus and economic rally from the pandemic. Also some risks are developing that may change the course moving forward. The USA is currently running on inflation of 2% above its long-term target. The question arises that whether this inflation will also be temporary. With unforeseen consequences for the global commodity markets, an inflation scare may force the central bank to act differently.

However, given all that we've been through since the last year, Covid still haunts us with its presence. Although the economic recovery remains on track, a resurgent variant in the form of Delta or an unnamed one can derail economic growth and outlook. We have witnessed a strong rebound in prices of commodities since the lows of last year. However, what makes a supercycle unique is its ability to answer the question of how quickly the prices rise along with how long the price hikes continue. Let time be the answer! **B**



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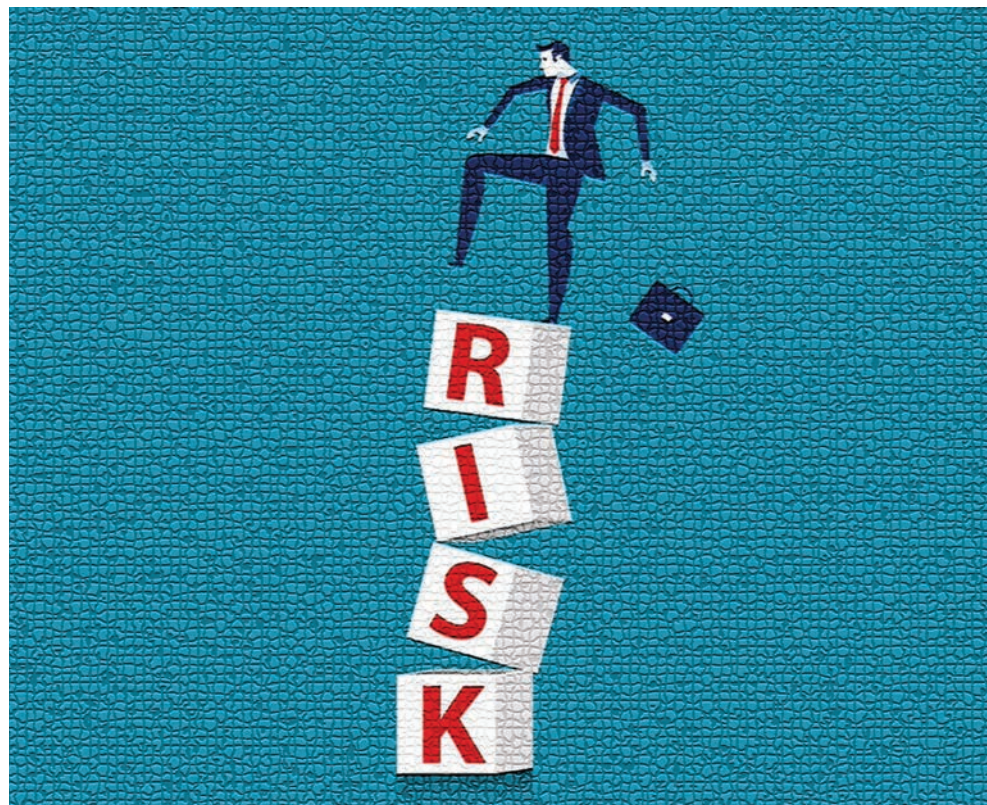
Bankability Crisis: Ground Reality of Project Financing in Nepal



Sameep Khanal advises on matters related to Project Finance, Taxation and Arbitration. His work entails loan and security documentation, tax planning, debt restructuring and refinancing, and undertaking other compliance matters. He is also involved in commercial law policy reform initiatives in conjunction with various ministries.

Bankable project finance ensures revenue streams and the value of the project can be secured in favour of the lenders. Such a regime will ensure that licences, permits and other regulatory permission as well as contractual rights of developers are capable of assignment in favour of the lenders. This is because the lenders will be expected to have not just the financing but technical acumen to take over and see through the project if there is default from the developer.

As lenders will be repaid their financing costs only after the project commences commercial operation and starts generating a revenue stream, the temporal gap between the upfront financing and repayment period exposes lenders to a mismatch risk. Therefore, the borrower accepts the trade-off of more control from lenders and agrees to provide greater transparency to the lenders. This is achieved by both financial covenant and other corporate governance undertakings required to be adhered to by the borrower in the facility and other financial documents.



Nepal's project financing regime is replete with discussions on the issue of construction risks, delay in land acquisition and other developer's risks. However, there is also a need to equally appreciate the bankability crisis which is crucial to the viable financing of infrastructure projects. Usually, it is the lenders who will have higher exposure than the equity investors in project costs. However, the laws and policies in Nepal are far from suitable for a bankable project finance regime. While there are laws that promote further infrastructure financing, there is inconsistency across policy preferences of various instrumentalities that defeat the bankability of efficient project financing.

Collateral Restrictions

In Nepal, the industry can only acquire a prescribed

portion of land as per Land Act 2021. If further land is required, in excess of the land ceiling limits, then the industry must seek land ceiling exemption approval. The Parliament enacted the Industrial Enterprise Act 2020 which restricts the creation of security over land acquired more than the ceiling. The lease agreement entered by project developers for government land in Nepal tends to have an anti-assignment covenant of leasehold rights even though they are not restricted under Nepali law. As the assets in the concerned project are spread across sites with different components, it is unreasonable for lenders to take control over piecemeal assets which will fail to maximise the going concern value of the project in project financing.

This is also against the sound credit practice mandated by Nepal Rastra Bank (NRB)

to provide adequate security coverage and provisioning of contingent liabilities. While NRB requires lenders to make provisions if there is no adequate security coverage, the inconsistent policy of allowing only partial security by IEA makes it difficult for lenders to exercise sufficient risk mitigation. The inadequate security will also mean that the risk premium of the project increases and ultimately any increase in the cost of borrowing is passed on to the project developers.

Ambiguity in Compensation Lenders

As per Electricity Act 1992, if there is a default from developers the generation licence is terminated and the project will come under the basket of the Government of Nepal. However, this law fails to account for the financing costs already incurred by the



lenders. As the financing is incurred prior to the generation of revenue, there is a huge risk to lenders that the financing costs will not be repaid. Usually, when the project is in default with or without the fault of the developers, there should be payment of transfer price before it can be handed over to concession granting authority. The transfer price generally consists of the financing costs principal, interest, and other financing costs incurred by lenders. As per best practices, the transfer price component will also include rate of return which a bank will be entitled to expect had such funds been lent at a market rate to a third party borrower. This is to ensure that the concession granting authority is not unduly enriched while the financiers are not able

to recover their financing costs. While this has been achieved in some precedent projects by way of project development agreement entered with the government, this should be clarified expressly and available to all lenders.

Inconsistent Policy Preferences

The bankability of the financing regime cannot be functional without consistency in policy preferences between various governmental authorities. There are certain policies that are mutually inconsistent with each other. For example, the priority sector lending directive issued by NRB requires banks to advance 10% of the loan to energy sector by mid-July 2024. If the loan is not advanced within the period, then banks are subject to penalty at

the interest rate levied for such insufficient allocation.

However, it fails to grasp the practical difficulties banks are facing right now. Without adequate comfort of the assignability of PPA payments, a guarantee of take-or-pay clauses, priority in insurance proceeds, assignability of licences, banks are not comfortable sanctioning loans. Although the project might obtain commercial operation there is no guarantee of completion of the transmission line for evacuation of energy. Therefore, without having such comfort, advancing loans will be against the risk management norms of banks. As such on the one hand, there is an imminent mandate from NRB to the bank to fulfill the energy financing, while on the other

governmental instrumentalities like Department of Electricity Development, Nepal Electricity Authority are not well versed with the valid concerns of the banks on bankability.

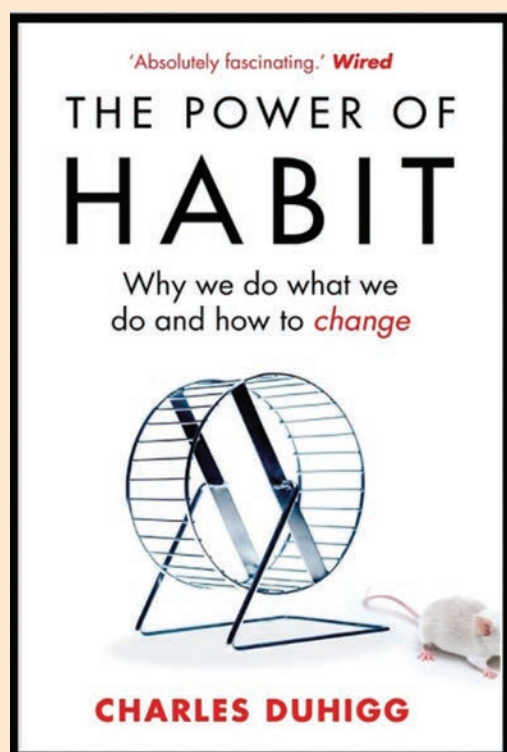
Way Forward

Banks are creatures of the norms they are built on. As banks have a macroeconomic impact on the national economy, they cannot advance loans without mitigating all foreseeable risks. Therefore, if the state indeed wants to promote the financing of infrastructure, not only banks but the entire regulatory ecosystem must appreciate the bankability crisis that the infrastructure sector is currently reeling under. **B**

BOOKS OF THE MONTH

The Power Of Habit

Author: Charles Duhigg



In *The Power of Habit*, award-winning New York Times business reporter Charles Duhigg takes us to the thrilling edge of scientific discoveries that explain why habits exist and how they can be changed. With penetrating intelligence and an ability to distill vast amounts of information into engrossing narratives, Duhigg brings to life a whole new understanding of human nature and its potential for transformation.

Along the way we learn why some people and companies struggle to change, despite years of trying, while others seem to remake themselves overnight. We visit laboratories where neuroscientists explore how habits work and where, exactly, they reside in our brains. We discover how the right habits were crucial to the success of Olympic swimmer Michael Phelps, Starbucks CEO Howard Schultz,

and civil-rights hero Martin Luther King, Jr. We go inside Procter & Gamble, Target superstores, Rick Warren's Saddleback Church, NFL locker rooms, and the nation's largest hospitals and see how implementing so-called keystone habits can earn billions and mean the difference between failure and success, life and death.

At its core, *The Power of Habit* contains an exhilarating argument: The key to exercising regularly, losing weight, raising exceptional children, becoming more productive, building revolutionary companies and social movements, and achieving success is understanding how habits work.

Habits aren't destiny. As Charles Duhigg shows, by harnessing this new science, we can transform our businesses, our communities, and our lives.



Skoda Kushaq A Worthy Contender

The newly launched Skoda Kushaq is undoubtedly one of the hottest selling vehicles in the Nepali market at present. The company has sold over 150 units since it was launched in July this year.

The midsize SUV has gained quite the success in a very short period of time. Skoda offers the Kushaq in three different trim levels: Active, Ambition and Style with an option of automatic transmission for the mid and top spec variants. Price for the SUV starts from Rs 4,990,000 going all the way up to Rs 6,590,000.

I was eagerly waiting to get my hands on the all-new Kushaq to find what the hype was all about. Finally, I got to experience the Style AT variant of the SUV. Let's find out if it is worth the hype.

Exterior

From the outside, it can be clearly seen that the Kushaq has been inspired from its elder sibling, the Kodiaq. The SUV carries over Skoda's prominent design elements such as the front grille and sharp body lines. The crystalline LED headlamps swept back from the front grille and the newly designed bumper on the front gives the SUV a very bold appearance. The cuts for the air intake on the silver skid

plate and the chrome surround on the grille gives the car a rugged yet premium look.

On the side, the thick claddings, sharp lines and creases and the chrome accents maintain the sporty and elegant characteristics. The roof-rail amps the sportiness of the car. The 17-inch 'Atlas' alloy wheels look very modern and suit the car pretty well. The angular tail lamps and the chrome strap across the boot makes the rear end of the car visually appealing.

Interiors & Features

On the inside, you are welcomed by a very practical and modern looking cabin. The dashboard has a very funky yet user-friendly layout. The two-spoke steering wheel with chrome scroll controls feel and look premium. The horizontal lines joined to hexagonal A/C vents, the multi-textured and piano black finish on the dashboard adds up to the premiumness of the cabin. The centre of the dash houses a 10-inch infotainment screen which supports wireless Apple CarPlay and Android Auto. The system is quite user friendly, however there are no shortcut buttons or the volume knob. On the centre console you can also find touch sensitive automatic climate controls which can be a bit confusing at first. Right below the A/C controls you can find

two USB type-c ports, a 12-volt power socket and wireless charging pad which will power up your device while on the go.

The top spec trim gets ventilated leather front seats which provide ample under thigh support and are well cushioned as well. The front seats are really comfortable making longer journeys much easier and relaxing. The rear seats are no less. You will find class-leading legroom on the new Kushaq, thanks to its long wheelbase. Even taller occupants won't have any problem while stretching out and the seat also supports the under thigh really well. The headroom won't be an issue either as you get ample headspace at the rear, and the car also is wide enough to squeeze three adults at once. The rear seats are also equipped with adjustable A/C vents, two type-c charging ports and armrest with cup holders.

The SUV is also equipped with features such as electronic sunroof, rearview camera, Skoda's six speaker sound system with subwoofer and keyless entry start/stop system. However, the Kushaq misses out on powered driver's seat, electric parking brake, 360-degree camera and most importantly a digital driver's display.

Driving & Safety

Powering the Kushaq is a 1.0-litre, 3-cylinder TSI petrol engine. The 999cc engine sounds small for a midsize SUV but the turbocharged engine pumps out a healthy 113.98 hp and 178 Nm of peak torque. The engine is quite powerful and the vehicle reaches three-digit numbers with ease. The turbo kicks in at around 2500rpm delivering power all the way upto 6000rpm and the acceleration feels really strong for a 1-litre engine. Although it's a three cylinder motor, the engine is

quite refined and has very less buzzing. The six speed automatic transmission is responsive and the gear shifts are smooth as well. The paddles shifter on the steering wheel gives you a sporty and fun experience.

Making the driving quality more fun is the riding and handling quality. The steering has brilliant feedback giving you much confidence to go around corners at higher speed. The car feels agile to manoeuvre around the city traffic, thanks to the light and responsive steering wheel. Slightly stiff suspension setup keeps the car planted and stable while cruising at highway speed. The suspension soaks up the city potholes pretty well however, going through deep potholes can be a bit uncomfortable. Talking about the braking performance, the discs at the front and the drums at the rear provide sufficient power to bring the car to a halt.

On the safety aspect, the SUV is featured with up to six Airbags, Multi Collision Braking, Tyre Pressure Monitoring System, Electronic Stability Control (ESC), Traction Control, Hill Hold Control, Roll Over Protection and more.

Verdict

The Kushaq is definitely worth the hype as Skoda has rounded up this vehicle quite well. It looks great with bold and modern characteristics. The vehicle is also equipped with a host of useful features including safety. The powerful engine and the good ride quality give a joyful experience while driving the car.

Kushaq is definitely a strong contender in the much popular midsize SUV market and you should consider getting one if you are in search of a great looking, spacious, feature packed SUV. **B**





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Decoding the Cyber Security Bylaw 2077



Tulsi Khemka is a CA with 18+ years of experience in the space of risk, systems and security having worked with corporates in India, Nepal, US and UK.

Much before the onset of the global pandemic, managements faced challenges with the ever changing and dynamic digital environment.

Today, all information and communication are in the digital space. Be it communicating with employees, suppliers, customers, tax authorities, etc or recording of production and accounting numbers, bank payments, etc. Despite the lurking danger to the sector and the constant digital war, cyber risk management and reporting has been grossly understated and managed. Hackers are waiting to unlock security systems put in place by governments, companies, homes and internet service providers.

Cybercrime is expected to cost the world about USD 6 trillion in 2021 alone. Cybercrime cost includes deletion, damage, unauthorised edits to data, loss of funds, impact on productivity, intellectual property theft, theft of personal communication, brand damages, lack of trust, financial data, embezzlement/frauds, disruption of normal business services, etc.

Cyber threats lie in wait everywhere both internal and external, and it can be



intentional or un-intentional.

In this age of work from home, governments and management in all sectors have enhanced the understanding of the risks.

Need of the hour for Telco's and ISPs

Fortunately, some leading government sectors in Nepal are pioneering the change, and regulators are creating and asserting the need for privacy, stronger controls, protection of sensitive data. one example is the Nepal Telecommunication Authority (NTA) that issued Cyber Security Bylaws 2077 under the Telecommunication Act 2053. The bylaws have been framed for implementation of cyber security standards and best

Cyber Security Bylaws

Bylaw states	Decoding the bylaws
General Security Standards and Practices	<p>Intent Purpose of the security policies and standard is to protect the information, asset and people. Set the rules of expectation from each stakeholder.</p> <p>What to consider? Assess the risk Identify the threat Evaluate the current maturity of the security framework Tone on the top If policy and framework is in line with the risk appetite of the organisation</p>
Infrastructure/ Network Security	<p>Intent How and has the network infrastructure been protected by both preventive and detective measures.</p> <p>What to consider? Network devices in line with the organisational needs Adequate network segregations Hardening of the network devices Integrity of hardware and software</p>
Core System Security	<p>Intent Protection and monitoring of all network nodes both outside and inside the network. Adequate extra layer of security to the organisation.</p> <p>What to consider? Tools in question DMZ set up Rules and configurations Change process Incident management</p>



Application Security	<p>Intent Adequate security measures in place at the application level to prevent data or code within any software/ app in the organisation can be stolen or create a backdoor.</p> <p>What to consider? SDLC protocols followed Changes to the software/ application post release Development cost and operational performance Applicable laws and regulations Backdoor monitoring</p>
Data Security/ Privacy	<p>Intent Data protection and proper handling of sensitive data. Ensuring necessary confidentiality for time sensitive data like financial, intellectual property, etc.</p> <p>What to consider? Data classification based on its nature Encryption protocols Information sharing Traceability tools for sensitive data being shared</p>
Cloud Security	<p>Intent Today most data and software are stored on the cloud. Ensure that system is not penetrable and sensitive data is secured.</p> <p>What to consider? Assessment of stakeholder's competency and conflict of duties Policy and compliance framework Security configurations Implementation of framework Identify and user controls Intrusion testing</p>
CERT/Incident Response	<p>Intent Awareness and preparedness in case any incident arises.</p> <p>What to consider? Assessment of stakeholder's competency and conflict of duties Completeness and classification of incident Identification, tracking, assessment and impact of any incident. Policy and procedure on how to address incident</p>
Security Operations Centre	<p>Intent To ensure that all key security events are assessed, identified and tracked. Awareness and action taken for identified threats and vulnerability, if exploited.</p> <p>What to consider? Risk assessment of all key security events Controls to assess the threats and malwares Assessment of stakeholder's competency and conflict of duties Audit of the intrusions Assessment of control effectiveness Escalation framework Future action plan</p>

Cyber Security Awareness & Capacity Building	<p>Intent The intent of the bylaw is to ensure that all employees are aware of what is sensitive information, importance of ensuring and complying to security requirements.</p> <p>What to consider? Employee awareness assessment Training programs – quality, frequency, attendance, effectiveness Review of capability building programs rolled out Outreach and awareness activities, basis of assessment Impact assessment of the activities Tracking and escalation of non-compliance</p>
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practices to protect Information Communication Technology (ICT) against malicious attacks and threats; and build trust and confidence of users towards the ICT partner, technology and services in use.

As per the bylaws, organisations need to ensure adequate security, policies, controls around various factors associated with cyber security like data, network, application, endpoint, mobile, identity and access, disaster recovery, etc. Speaking to stakeholders required to comply with the bylaws, we realised that there was a need for clarity on the level of compliance needed by the bylaws.

There are few critical and commonly benchmarked standards across the globe like COSO, COBIT, IS 27001, NIST standards, etc. These standards set the ground and tone for any cyber security implementation, review and compliance.

Based on our conversation with NTA, we realised that their objective from an information security audit is to arrive at a sense of comfort that the Telcos and ISPs do not have

any gross vulnerabilities that can be exploited and that there is no potential access to sensitive data.

As we deep dived into the bylaws to understand the intent and things that companies should consider, we came up with this list. Please note that this is not a 100% list, only an indication.

The bylaws have been defined by NTA benchmarks for both the service provider and the auditor. The checklist should not be considered verbatim for the purpose of audit compliance. The overall intent of the government body is to protect the user of service and provider of service from any malicious attacks and threats and build confidence in the technology and service.

Keeping the overall intent in mind, companies should assess the overall maturity of their cyber security framework and address any vulnerabilities and threats they find in the process. **B**



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Into The Fold, Beyond The Specs

SAMSUNG GALAXY Z FLIP 3 & GALAXY Z FOLD 3

Text: Sushil Neaupane

Saying that foldable smartphones are still in their infancy would be unfair. They are more in the adolescent territory. Meaning, they have the overall theme down, but still there is no promise that they will not act up at a moment's notice. Thankfully, I say this out of conversation and not experience.

In my week with the Samsung Galaxy Z Flip 3 and Galaxy Z Fold 3, I was convinced that foldable displays are the future of mobile computing. Don't get me wrong, you will have to make some trade-offs even if you decide to pick up the third generation of foldable devices from this Korean smartphone titan, but for the right person, this is the exact device they were looking for.

Personally, I was more lenient towards the bigger phone that could turn into a tablet if need be: Galaxy Z Fold 3.

The mammoth 7.6-inch mini-tablet-like display is the ultimate productivity champ, as far as mobile displays are concerned. The colours are excellent, the response is fluid at 120 Hz, and it gets decently bright outdoors, albeit that's not its strong suit. I would have loved to have a brighter screen; one with better viewing angles while you're at it.

That is not to say that the screen in the front was of no use, but more so that I couldn't see myself using it so often. The 6.2-inch AMOLED panel is plenty good. However, the deterring factor here is that weird aspect ratio that this thing has - 25:9, super tall and super narrow. In my testing, the front display was used for making phone calls, writing up quick texts, and as a viewfinder for my selfies.

Towards the end of my



testing though, something hit me!

The front display was actually better for my digital wellbeing because in the smaller display I would do exactly what I set out to do and not fool around on Twitter and Instagram. For the day-to-day cell phone tasks, this outside display does it with grace.

As for the main event, the foldable display, wherein the phone gets its name from, is a beautiful experience that takes you back for a while. It's actually really fascinating to see something as delicate as a screen being folded, and no, the crease in the middle is not a nuisance. It simply dissolves into nothing when you are using the phone.

Speaking of the giant display, the display also houses a small 4 MP selfie camera under the display. The mesh-like display over the camera lens does a decent job of keeping it out of sight and out of mind while using the device. As for the quality of snaps rendered, you will do fine in a Zoom call, but don't expect many likes on Instagram.

The selfie shooter on the cover display is significantly better at 10 MP and has a wider field of view. But if you really want a selfie, your best bet is to use the cover display to actuate the rear camera units. Perks of having a foldable phone!

The rear camera system houses three individual units: a 12 MP, f/1.8, 26mm (wide), 1/1.76" with OIS; a 12 MP, f/2.4, 52mm (telephoto), 1/3.6" with OIS and 2x optical zoom; and a 12 MP, f/2.2, 123°, 12mm (ultrawide).

Now, in the bright daylight, the photos are more about preference than about quality simply because smartphone cameras have gotten so much better in the last couple of years. However, a good camera system would truly shine in the dark.

The primary camera gets a half-decent shot when the sun is down. The photos have some details, but the noise is evident. But, when you switch lenses, the drop in picture quality is pronounced.

And about the hinge mechanism, the Korean manufacturer hasn't ironed out all the drawbacks of having a foldable display. The film over the screen is exceptionally prone to scratches and scuffs. So much so that you could leave a lasting mark with your nails. And even more jarring was the fact that the display and the hinge holding it in place could take damage from your pocket lint. Surprisingly, the phone is splash-resistant against water but cannot hold out dirt and other tiny particles.

The Galaxy Z Fold 3 is also an all-day phone in terms of battery, but you can chew

through it in a day. In my testing, I went from full to 15% in four-and-a-half hours of screen-on time on average, with medium to demanding usage, albeit indoors. To be fair, I was using the bigger high refresh rate screen at full resolution.

The phone will comfortably hold its own regardless of what you decide to throw at it, but be warned, over extended periods, it will heat up. You can have multiple windows open simultaneously and even connect it to an external display for a PC-like look and feel with the Samsung Dex feature. In fact, Samsung has made quite a few adjustments that would make use of the folding mechanism and the larger display.

Despite its massive size, the Fold is surprisingly light at just 271 grams, and holding it in your hands puts you at the centre stage for the dual-firing stereo speakers that get decently loud.

I just wish that there was more content and applications that made use of Samsung's screens, though. The cover screen is too narrow, and the inside screen is too wide. So, whatever content you decide to consume, there will always be black bars on either side of the screen. Apps like Facebook and Gmail are better optimised to make use of the entire length and width, but there are still tens of thousands of apps that'll just stick to their default aspects.

All in all, the Samsung Galaxy Z Fold 3 is a device centred around productivity on the go. It is one less reason to actually lug a laptop around for menial tasks. I mean, you could just pull a 7+ inch tablet out of your pocket, sipping on your favourite beverage at a cafe, and still get some work done! **B**

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World Bank Vice President visits Nepal, emphasises support to Green, Resilient, and Inclusive Development



World Bank Vice President for South Asia, Hartwig Schafer, on his five-day visit to Nepal, reiterated the World Bank's commitment to support Nepal's resilient recovery from the pandemic.

In separate meetings with Prime Minister Sher Bahadur Deuba and Finance Minister Janardan Sharma, Schafer commended the government's effective Covid 19 response, including the swift rollout of vaccines and strong focus on economic recovery. The meetings also stressed the importance of accelerating reform implementation and investment, and enhanced collaboration to support Nepal's sustainable development.

"Nepal is an example in resilience, emerging stronger from shocks such as the 2015 earthquake and working with a clear vision to build back better from the impacts of Covid 19," said Hartwig Schafer. "The World Bank is proud to be Nepal's partner in development and is committed to work together with the government, development partners, private sector, civil society, and other key stakeholders for a recovery that is green, resilient, and inclusive."

The World Bank joined the Government of Nepal and development partners for the endorsement of the Kathmandu Declaration at a high-level roundtable on Green, Resilient, and Inclusive Development (GRID) on September 23. The declaration underscored the Government of Nepal's commitment to the GRID vision and aligning partners' support around potential priority investments, market incentives and policies, institutional

actions, and information needed to support Nepal's GRID transition.

"I applaud Nepal for embarking on a new development paradigm—the green, resilient and inclusive development framework or 'GRID'. The GRID approach is meant to deliver short-, medium-, and long-term benefits to people, the planet, and Nepal's economy," said Schafer. "The World Bank is pleased to support the Kathmandu Declaration to strengthen Nepal's sustainable development."

Meetings were also held with Minister of Energy Pampa Bhusal, State Minister of Health Umesh Shrestha, government secretaries, development partners and representatives of the private sector. Outside Kathmandu, Schafer visited the proposed Upper Arun Hydro Electric Project site and participated in an event on federalism with federal and local level authorities in Dhulikhel. The World Bank is supporting feasibility studies and detailed design for the development of the proposed Upper Arun project.

Schafer wrapped up his visit with a special event organised in partnership with the Fédération Internationale de l'Automobile and Nepal Automobile Sports Association to promote awareness of road safety and advocate for UN-standard helmets, which are affordable and certified for motorised two-wheeler riders. The event was organised as part of an ongoing road safety campaign with the Ministry of Physical Infrastructure and Transport.

FNCCI President Golchha meets ILO Country Director Howard

President of Federation of Nepalese Chambers of Commerce and Industry Shekhar Golchha held a meeting with Richard Howard, Director for International Labour Organisation (ILO) Country Office in Nepal at the FNCCI

secretariat on September 22. During the meeting,



Golchha and Howard held discussions on issues related to increasing investments, creating employment opportunities and social security. The two also talked about the possibilities of developing a collaboration regarding labour relations, business development and social security schemes.

On the occasion, Golchha thanked Howard for the support provided by ILO to set up isolation centres during the Covid 19 pandemic. He also apprised Howard about FNCCI's efforts to bolster the country's economy and increase employment. Golchha added that FNCCI was willing to hold talks with the government and trade unions to resolve the difficulties in implementing the social security scheme.

NYEF organises Start-up Awards



The Nepalese Young Entrepreneurs Forum (NYEF) which is an apex body of young entrepreneurs in Nepal held the NYEF Start-up Awards on September 17. NYEF Start-up Awards is a premier competition organised by NYEF Kathmandu Chapter and bootcamp for enthusiastic and driven entrepreneurs who aim to nurture their start-ups into scalable businesses.

The main aim of the event is to develop a business ecosystem in Nepal through exposure, mentorship, and investment for start-ups. The top seven teams who reached the finals of the NYEF Start-up Awards were Ansu Technology, Doctors on Call, Educase,

Kashyapi Nepal, MCQ Hall, Urbans Nepal, and VoxCrow.

The winner of the NYEF Start-up Awards was Doctors on Call, a team of doctors with their vision in the tele-health sector to make health services easily accessible and affordable. The runner-up was Urbans Nepal, the first professional home utility services providing platform through their app where customers can have access to plumbers, carpenters, salons, electricians, etc. The People's Choice Award went to Ansu Technology whose aim is to create experience-based learning through Augmented Reality. Through this, children can receive experiential learning while having fun, through games and animations.

Government and development partners join forces on Nepal's green, resilient and inclusive development



The Government of Nepal and development partners have endorsed the landmark 'Kathmandu Declaration' to develop a strategic action plan for Nepal towards Green, Resilient, and Inclusive Development (GRID).

The declaration was endorsed by the Ministry of Finance on behalf of the Government of Nepal, Asian Development Bank, Australia, European Union, Finland, France, Germany, International Monetary Fund, Norway, Republic of Korea, Switzerland, United Kingdom, United Nations, United States, and the World Bank at a high-level roundtable event titled Nepal's Transition to Green, Resilient, and Inclusive Development (GRID) for Sustainable Recovery, Growth, and Jobs.

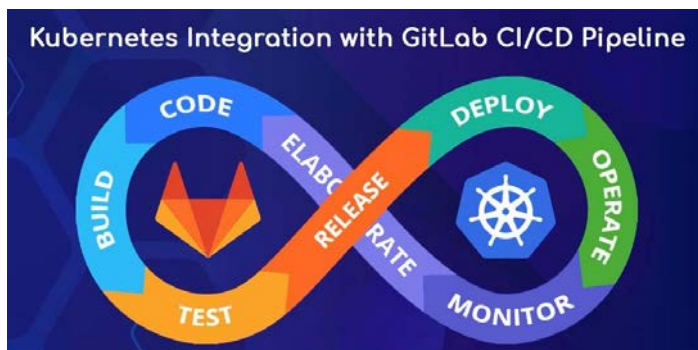
Under the Kathmandu Declaration, Nepal's development partners have

NEPAL'S FIRST PLATFORM-AS-A-SERVICE



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DataHub launches Nepal's First PaaS Solution



Yeti Cloud will provide next-generation cloud solutions for users such as software developers and DevOps to easily set up, provision, configure, and manage their applications with extreme simplicity. This PaaS solution enables scalability, high availability, and separation of services -very cost-effectively.

Yeti Cloud can be a decent alternative to Nepali users who are using services from international cloud providers like AWS and Digital Ocean and; are facing difficulty paying for the service and support abroad. Everything in Yeti Cloud is automatic- its features are no less than any other international Data Center and Cloud Providers.

The Servers of Yeti Cloud are hosted locally in Nepal and provides low latency compared to those by International Cloud Providers. Local billing and Local 24/7 support will help Nepalese users to utilize the cloud to the maximum and achieve truly comprehensive solutions in the cloud.



DataHub, Nepal's first commercial Data Center and Cloud Service Provider, is formally launching 'Yeti Cloud' with Platform-as-a-Service (PaaS) and Anything-as-a-Service (XaaS) designed especially for Software Companies, Software Developers, IT Administrators, and System Integrators.

DataHub has almost a decade of experience providing co-location, hosting, and premium data-center services in Nepal. The company has established dedicated data centers with the highest level of security and compliance. In 2017, DataHub came with its Cloud service (VPS) and has proven successful in the Nepali market.

DataHub has been serving many leading Nepali brands (banks, insurance, digital wallets, ISPs, etc.)



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identified up to \$4.2 billion in potential future support, in addition to the \$3.2 billion in previously committed resources to support GRID.

The GRID Strategic Action Plan will coordinate international and domestic financing for priority investments in Nepal's recovery from the crisis caused by the Covid 19 pandemic.

Investments will support Nepal's 15th development plan, Nationally Determined Contribution to the Paris Climate Accords, and the Sustainable Development Goals in promoting green growth, jobs, and infrastructure, and building resilience to climate change and shocks from disasters, as well as equitable access to services for Nepalis.

The government and development partners intend to scale up support for such areas as sustainable tourism, renewable energy, cleaner transport and resilient roads, integrated solid waste management, sustainable forest management, watershed protection and water supply, biodiversity conservation, adaptive social protection, climate-smart agriculture, and sustainable cities. Partnerships and opportunities will be sought with the private sector to increase green investment and support job-creating small and medium enterprises and businesses in these and other areas.

Nepal's GRID vision also emphasises inclusion to enable women, indigenous groups, and vulnerable and marginalised communities to realise the benefits of a green, resilient recovery. This includes skills training and education opportunities to help citizens prepare for an evolving job market in a new green economy with greater opportunities for all Nepalis.

The roundtable, organised in the lead up to COP26, included representatives from the federal and local government, development partners, private sector, and climate experts.

World Bank provides \$50 million to strengthen Nepal's school and health sectors



The government and World Bank signed two separate additional financing agreements of \$50 million each on September 15 to support the implementation of the government's flagship School Sector Development Programme in the education sector and public management reforms in the health sector. The agreements were signed by Finance Secretary Madhu Kumar Marasini on behalf of the government and World Bank Country Director for Maldives, Nepal, and Sri Lanka, Faris Hadad-Zervos.

"Strengthening Nepal's education and health systems is an essential element of building back better from the pandemic," said Marasini. "The reform agenda championed by the Nepal Health Sector Programme for Results is critical to Nepal's vision of an efficient, effective, transparent and accountable health system, and together with the School Sector Development Programme, provides a catalyst for improved human capital development enabling Nepal to compete strongly post-Covid."

The Additional Financing to the School Sector Development Programme will help reduce dropouts and mitigate learning losses by supporting pro-poor targeted scholarships, pro-science scholarships, and catch-up programmes. It will lay the foundation for the next school sector successor programme in two areas – assessment and data systems, and help create the fiscal space to fill the gap in financing the government's flagship programme.

The Additional Financing for Nepal Health Sector Management Reform

Programme for Results will support the original Nepal Health Sector Management Reform Programme for Results implemented under the leadership of the Ministry of Health and Population. It spearheads reforms in public procurement, financial management, data for decision making and citizen engagement for greater accountability in the health sector.

"These engagements contribute to Nepal's green, resilient, and inclusive development by making the country's education and health systems more inclusive and resilient to future shocks, which will in turn help to accelerate human capital development," stated Hadad-Zervos. "I am very hopeful that the additional financing will help propel Nepal closer to its goal of universal health coverage, and ensure equitable access and improve the quality of education and learning outcomes for children and young people in Nepal."

Finance Minister holds discussion on replacement bill



Finance Minister Janardhan Sharma held discussions with the secretaries of the ministry regarding the replacement bill on September 27. Talks were held on effective implementation of new policies and programmes that have been included in the replacement bill and also those that were included in the budget announced by the previous government and have been given continuity.

The minister urged implementation of development projects that have been included in the budget and subsequently increase the government's capital expenditure. He also directed the secretaries to

immediately prepare working guidelines for various projects and coordinate with other ministries on implementation of projects related to their ministries.

Minister Sharma also directed the secretaries to prepare a monthly guideline of the responsibilities that have been assigned to them and work accordingly in completing those tasks in a time bound manner. He also mentioned that there would be no delay from the ministry regarding work related to development projects and capital expenditure.

On the occasion, Dr Biswo Nath Poudel, Vice Chairperson of National Planning Commission, stated all the ministries would have to work in earnest to achieve the 7% economic growth target that has been set in the replacement bill. Meanwhile, Finance Secretary Madhu Kumar Marasini stated a monthly working guideline needs to be prepared for the common minimum programmes included in the replacement bill and all should work towards achieving that.

Nabil Bank bags 'Leading Partner Bank in Nepal' Award from ADB TSCFP

Nabil Bank has been recognised as Leading Partner Bank in Nepal for 2021 by Asian Development Bank - Trade and Supply Chain Finance Programme (TSCFP). This is the second time in a row for Nabil Bank to be awarded with this award. ADB's TSCFP fills market gaps for trade finance by providing guarantees and loans to banks to support trade. Trade Finance Programme empowers countries to meet Sustainable Development Goals by closing market gaps through guarantees and loans.

As stated by ADB trade finance programme announcement, Nabil Bank has recorded the most transactions with TSCFP in Nepal from July 1, 2020 to June 30, 2021.

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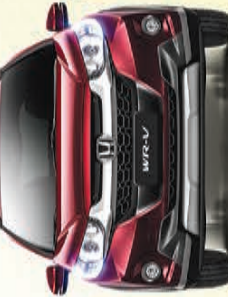


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Shangrila Motors launches Citroen in Nepal



Shangrila Motors, the sole authorised distributor of Peugeot, has launched yet another popular French brand, Citroen, in Nepal. Citroen entered the Nepali market by introducing C5 Aircross, a premium mid-sized five seater SUV. The booking for the new C5 Aircross has been opened at a price of Rs 13.5 million.

The new Citroen showroom is located in Thapathali which the company says is based on La-Maison (French word for home) design. Citroen was founded in 1919 and the company launched the world's first mass produced vehicle, the Traction Avant with front-wheel drive, four-wheel independent suspension and unitbody construction.

C5 Aircross was first globally launched in 2017. The SUV is powered by a 1.6 litre petrol engine mated to a six speed automatic transmission. The 1598cc, four-cylinder engine pumps out a max power of 165hp and 240 Nm of torque. The SUV stands out from the crowd with its unique design elements such as double chevron design, powerful curved side panels and four 3D LED modules.

The C5 Aircross is featured with Citroen's advance 'Dual Progressive Hydraulic Cushions' to deliver immense comfort to the occupants. The car is also loaded with features such as grip control system with multiple drive surface option, blind spot monitoring system, foot operated electronic tailgate, panoramic sunroof, 8-inch infotainment touchscreen with Apple CarPlay and Android Auto, 12.3 digital driver display and more.

Shangrila Motors is also planning to bring Citroen C3 and C4 EV in the Nepali market in 2022.

Samsung overwhelmed by response to pre-booking of Galaxy Z Fold3 5G and Galaxy Z Flip3 5G



Samsung, Nepal's most trusted smartphone brand, has received an overwhelming response for the pre-booking of 'Galaxy Z Fold3 5G' and 'Galaxy Z Flip3 5G'. The spike of pre-orders received by the brand immediately after the launch of the smartphones was beyond the highest expectations,

"Nepali consumers are always eager to adopt new technology and keep tabs on the innovations around the globe. This was evident with the overwhelming response we received for our latest foldable devices – Galaxy Z Fold3 and Z Flip3. Pre order target was achieved within six days from the date of announcement and we had to temporarily halt the pre booking activity," said Pranaya Ratna Sthapit, Business Head, Samsung Mobile Nepal.

This also points to the trend that Nepali customers are now becoming more discerning about lifestyle gadgets and that there is a very high awareness and acceptance for high-tech futuristic technology embedded into everyday utility gadgets and aspirations for global trends. Samsung describes the two innovatively engineered powerful foldable devices Galaxy Z Fold3 5G as the ultimate powerhouse of productivity and entertainment and Galaxy Z Flip3 5G as the perfect blend of style and functionality.

Ford Nepal announces booking of 2022 Ford Everest



Ford Nepal announced the booking of Ford Everest with a new 2.0-litre Bi-Turbo diesel engine and world's first ten speed automatic transmission at an introductory price of Rs 1.99 crores on October 3. Delivering a potent mix of unmatched off-roading capabilities, surprisingly affordable service cost and packed with advance features, the 2022 Ford Everest will set a new benchmark for premium SUVs in Nepal.

Ford Everest is one of the most loved SUVs in the global market and ASEAN region. The first Everest debuted in 2003, with the current second-generation model debuting in 2015 and continuing the Ford legacy. The Ford Everest offers an extremely comfortable ride quality that will no doubt keep the family happy on school runs and long holiday road trips. For a large car, the Everest is effortless to drive, with light steering that makes low speed manoeuvres like parking a simple task. Other than that, the engine has more than enough torque from the engine to make accelerating an easy task, and means the Everest holds its own against its rivals in terms of driving dynamics.

The all-new Ford Everest features all-LED headlamps, encased in an all-new contemporary square design lamp cluster. The LED lamps for both low and high-beam provide up to 20% greater lighting penetration for enhanced night-time visibility.

Great Wall Motors Nepal to launch top variant of Haval Jolion

Grounded in their corporate philosophy: 'Improving little by little, every day', Great Wall Motors Nepal is launching a top variant of Haval Jolion with features sure to add luxury during your ride. With over 6.5 million sales in more than 60 countries, Haval has been the number one selling SUV brand in China for 11 consecutive years.

Influenced by bold architecture and mastered by modern engineering, the Jolion is a vehicle that embodies intelligent thinking. From sleek lines to 18-inch aluminium alloy wheels, 73% high strength steel body to 6-way electric adjustable driver seat – no



element of sophistication has been spared. The large panoramic sunroof and dual zone auto AC just adds elegance to the comfortable and joyful ride.

Powered by 1.5l petrol turbo engine, safety of 6 Omni directional airbags, 360-degree view, blind spot monitoring and hill hold control and hill decent control, the Jolion has been designed with safety in mind. This futuristic colour head-up display (HUD) enhances the safety by displaying vehicle speed and more.

The smart SUV is designed by innovative thinkers and brought to life by high-performing technology. Packed with convenient features like a 12.3-inch smart touch screen with Apple CarPlay and Android Auto as well as wireless charging to provide additional luxury for the busy life. Starting variant and high variant (MT and AT) are already available in the market garnering rave reviews.

Volkswagen Taigun introduced in Nepal

Pooja International Nepal, the sole authorised distributor for Volkswagen vehicles, unveiled the Volkswagen Taigun in Nepal on October 3. The vehicle was unveiled by German Ambassador to Nepal Thomas Prinz.

The new compact SUV Taigun is powered with world class 1.0litre turbo charged engine that generates 114 HP and 178 NM torque. The company claims the power and torque to be the highest in its category of compact SUVs available in Nepal. With the launch of the Taigun, the company believes it will be able to cater to the mass market as the introductory price of the Taigun Comfortline has been set at Rs 50.90 lakhs. The Taigun is available in three variants. The introductory price of the other two variants – Taigun Highline and Taigun Topline has been set at Rs 63.90 lakhs and Rs 69.90 lakhs, respectively.

The Taigun comes with stylish bold exterior with fresh and vibrant design. The front muscular grille is perfectly integrated with LED daytime running lights. Higher ground clearance and long wheelbase provide ground stability that is fit for Nepali roads. It can hit 0-100 kmph in just 9.1 seconds. The vehicle also comes with 10-inch infotainment system, full digital cluster, front ventilated seats, hill assist control, electric moon roof and continuous LED tail light, among others.

NIBL partners with FOCUSONE for first card-based Scan to Pay solution in Nepal

FOCUSONE Payment Solutions, a licensed payment service provider with Nepal Rastra Bank, launched its mobile digital wallet, MOCO, on September 30. Partnering with Visa, the global leader in digital payments, the MOCO digital wallet is a revolution in online payments where users can simply link their Visa card

details to their phone and start paying for transactions by scanning a QR code displayed at a merchant. The app complies with the latest Payment Card Industry Data Security Standard (PCI DSS) protocols and has one of the most secure and sophisticated back-end systems of any payment service providers in Nepal.



This QR solution addresses the need for an interoperable, secure and stable system where users can use a single mobile app to pay through QR at various merchant outlets. Visa cardholders of Nepal Investment Bank will now be able to add their debit or credit cards to the MOCO app and use it to pay for purchases, utility payments like telecom top ups, internet and electricity bill payments, etc without having to load funds into their digital wallets each time. MOCO users have the power to choose between any of the Visa cards they have uploaded during the time of transaction. As an interoperable system, MOCO acts as a single digital wallet for multiple bank cards.

Soumya Basu, Country Manager, Nepal, Bangladesh and Bhutan, Visa said "We are delighted to launch the Scan to Pay feature with MOCO. Visa has always aimed at enabling easier access for all and as a network working for everyone, we want to make digital payments more convenient, smoother and safer for cardholders and merchants. With this partnership, we are confident that users in Nepal can now use their Visa credentials on smartphones to make QR payments at merchants, which is a cost-effective way for merchants

to accept digital payments as well."

Jyoti Prakash Pandey, CEO of Nepal Investment Bank, said that in line with Nepal Rastra Bank's vision to popularise standardised QR payment experience we have tied up with FOCUSONE Payment Solutions, a PSP in Nepal to launch an international QR platform for our Visa cardholders.

Honorary Consul of the Republic of Zambia-Nepal to strengthen KU-Zambia ties

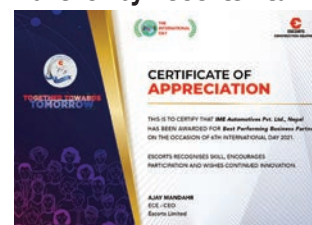
An interaction programme with the Honorary Consul of the Republic of Zambia to Nepal, Desh Bandhu Basnet (Ajit), was held on September 10 at Kathmandu University, Dhulikhel. The interaction, which began with a short presentation by Associate Dean of School of Engineering of KU, Brijesh Adhikary, reviewed the past and explored the possible future collaboration between Zambia and Kathmandu University.

Adhikari's presentation stated that Nepal has a high potential to be an educational hub not only for Zambia but also for other African students. As there are already 19 Kathmandu University graduates working in different sectors in Zambia, the participants suggested to mobilise them to be ambassadors to popularise KU in the region. Officials highlighted KU's new policies such as the decision to promote enrolment of foreign students in all disciplines with 10% seat reservation, provision to offer fee waiver and local accommodation to those foreign students who work under KU professors and associate professors as research fellows, and stated that these initiatives should be shared with student communities within Zambia and Africa to attract more students to Nepal.

Both teams agreed to identify common interests and formulate a framework to move ahead for future

collaboration. Engaging NRNs with Kathmandu University to strengthen its academic excellence, creating an environment to learn from each other in the technical and vocational education between Zambian universities and KU, exploring possible collaboration in the fields of mining, energy sector, and technology transfer were major themes discussed.

IME Automotives awarded as Best Performing Business Partner by Escorts Ltd



IME Automotives, business vertical of IME Group, has been awarded as 'Best Performing Business Partner 2021' by Escorts Ltd. On the occasion of sixth International Day 2021, CEO of Escorts Ajay Mandhara announced the award via virtual platform. As per Escorts, IME Automotives has been continuously improving its market coverage all over Nepal, focus on customer satisfaction and most importantly doing brand establishment activities and hence IME is in the first position this year. Escorts recognises skill, encourages dealership for more active participation in every level of activity for more market penetration. The International Day was based on the theme 'Together towards Tomorrow'.

Backhoe loader, compactor and crane are the product line-up that are distributed by IME Automotives for Nepal. The company has been providing sales, service and spares facility across Nepal through 11 outlets.



Malli elected as president of Nepal LP Gas Industry Association

Kush Prasad Malli was unanimously elected as the president of Nepal LP Gas Industry Association on September 16. He was previously serving as the Senior Vice President of the association. Rajendra Dallakoti has been elected as special member and Shankar Shrestha as Senior Vice President.

Likewise, Diwan Chand and Manoj Kumar Das have been elected as Vice Presidents and Krishna Bhakta Shrestha as General Secretary. Dharmaraj Bartaula meanwhile has been elected as Treasurer and Ashish Jajodia as Secretary of the association.

Those who have been elected as members of the executive committee are Lok Harsha Shakya, Baburam Pokharel, Sunil Sinha, Manoj Budathoki, Achyut Nepal, Yuwak Rajbhandari, Sudeep Ghimire and Raj Kumar Sindhi.

Everest Bank appoints Khaling as new CEO



Everest Bank has appointed Sudesh Khaling as the Chief Executive Officer of the bank. Khaling has more than 35 years of professional experience with various banks in Nepal. Everest Bank is a joint venture with Punjab National Bank and has millions of customers, one of the highest in the industry. Presently, the bank is rendering professionalised and efficient banking services of international standard through its wide domestic network of 105 branches, 31 revenue collection counters, 137 ATMs and also through its widest global network.

Nimbus brings technologically advanced Nokira bags that prevent germs

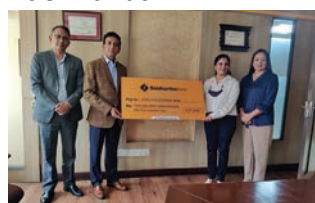
Ever since its inception, Nimbus has been moving in an innovative direction and is the first mover in various areas embracing new technologies. The company is actively doing various market trials and is now producing Nokira bags using Vestergaard's ZeroFly technology.

ZeroFly is a groundbreaking innovation for the safe storage of grain, seed and pulses. These bags are an ideal solution for small and medium size farmers, it can be stored in areas with existing insect infestation without any risk.

Nokira bags will provide an insect-free storage facility to the farmers, traders and millers. Each fibre of the bags is infused with raw materials, which can prevent insects and increases the effectiveness of the product. Also, the raw materials used in this manufacturing process are approved by Food and Agriculture Organisation (FAO) and World Health Organisation (WHO). It is also classified as Food Safe under Codex, US and EU regulations.

The bags are available in 25-, 35- and 50-kg sizes.

Siddhartha Bank extends support to Zonta Club of Kathmandu



Siddhartha Bank handed over a cheque of Rs 497,200 to Zonta Club of Kathmandu under its Corporate Social Responsibility (CSR) programme on September 23. The funds will be used for Zonta's campaign to raise awareness on domestic violence.

Sundar Prasad Kadel, Acting CEO of Siddhartha

Bank, handed over the cheque to Seema Golchha, President of Zonta Club of Kathmandu. Zonta Kathmandu has been working with different partners to support girls and women victims of violence and has also tied up with Lalitpur Metropolitan Police 100 helpline.

Siddhartha Bank, established in 2002, is one of the largest private commercial banks in Nepal providing banking and remittance services. The bank has over 180 branches across the country and its head office is located in Kathmandu.

Turkish Airlines Kathmandu partners with Museum of Nepali Art

Turkish Airlines Kathmandu office has partnered with the Museum of Nepali Art (MONA) with the aim of promoting Nepal as an art destination and supporting children battling cancer in a mega art festival. Through this collaboration the airlines will be offering a chance to win a ticket to Europe to anyone visiting the art festival between October 7-9 through a lucky draw. The Museum of Nepali Art's first annual art festival is an effort to bring Nepali art and artists to the limelight while serving a charitable cause. Thirty-three Nepali artists will come together for a day-long 'live art congregation' at Kathmandu Guest House, Thamel.

Established in 1933 with a fleet of five aircraft, Star Alliance member Turkish Airlines has a fleet of 351 (passenger and cargo) aircraft flying to 326 worldwide destinations. Currently, Turkish Airlines Kathmandu operates weekly flights to Istanbul and beyond and is the only European carrier that connects Nepal directly to Europe.

Shivam Cement partners with Kathmandu Kings XI (KKXI) as main sponsor

Shivam Cement has signed

an agreement with Kathmandu Kings XI (KKXI) as the main sponsor of the team for the Bajaj Pulsar Everest Premier League (EPL). The season of Bajaj Pulsar Everest Premier League is being held from September 25 – October 9 at TU grounds in Kirtipur. Shivam Cement has collaborated with Kathmandu Kings XI as Strength Partner for the tournament.



The signing ceremony was held on September 16. Besides the collaboration with the team, Shivam Cement will also be associated with the broadcast of Bajaj Pulsar Everest Premier League (EPL) in Nepal as Strength Partner during the tournament period. There are altogether six teams playing for the coveted title in Bajaj Pulsar Everest Premier League (EPL).

Customs duty on sanitary pads have not been raised: Finance Ministry

The Finance Ministry has issued a statement mentioning its attention has been drawn to the news being circulated in various social media platforms and publications that the customs duty on the import of sanitary pads has been hiked. It has stated that the customs duty on sanitary pads has not been increased.

The ministry has further clarified that the 15% tax that is being levied since fiscal year 2069/70 has not been changed for the current fiscal. It has requested all to refrain from publishing false news. In fact, the ministry has said that the tax on the import of raw materials for production of sanitary pads in the country has been brought down from 10% to 5%. The ministry has added that the import duty on raw materials has been decreased in order to encourage local businesses manufacturing sanitary pads.

Morris Garage opens booking for all-new Hector Shine 2021



Paramount Motors, the authorised distributor of MG Motors Nepal, has officially begun the booking of the Hector 2021 Shine variant. After creating a sensation in the Indian market right after its launch, Hector is all set to take over the Nepali market in its price segment. The Hector comes with 1.5 L turbocharged intercooled engine and is available in both MT and CVT variant.

The evolved SUV has an overpowering look with an all-new bold front chrome grille, LED headlamps, stylish R17 silver alloys, electric sunroof, push button start, electric parking brake and many more features that add to its style and functionality statement.

When it comes to comfort and convenience, the Hector 2021 follows with attention to detail. The car understands what you need and what you want, precisely. It also comes with the stunning 26.4-cm HD touchscreen AVN system which makes sure that you enjoy each moment of your journey to the fullest.

MG Hector is an evolved SUV car that introduced several industry-firsts and established new benchmarks in its segment. The vehicle continues to surprise with 25+ safety and security features as standard including electronic stability programme, traction control, hill hold control, rear wiper and washer, rear defogger, front fog lamps and speed warning alert.

The vehicle will be available in different shades - Havana Grey, Candy White, Starry Black and Aurora Silver.

Oriental Hotels holds 24th AGM

Oriental Hotels Ltd (Radisson Hotel) held its 24th annual general meeting (AGM) virtually in Kathmandu, on October 5. The meeting was chaired by the company's Chairperson Subhadra Shrestha. During the AGM, Shrestha presented the company's annual report of fiscal year 2077/78, the balance sheet of Asadh along with audit report, profit and loss statement, and cash transaction details and comments on financial statements.

As per the report, Oriental Hotels earned gross income of Rs 131.2 million and made total management expenditure of Rs 334.2 million, incurring a loss of Rs 225.7 million in fiscal 2077/78. Likewise, net losses of Rs 203.6 million were announced. The company had earned a net profit of Rs 66.9 million in the previous fiscal year 2076/77.

The report cited the effects of the Covid 19 pandemic, non-arrival of tourists, and the prohibitory orders issued by the government that restricted the holding of meetings, assemblies, gatherings, training, seminars, and prohibition in the operation of swimming pools, health clubs among other recreational venues as the causes for the significant loss. Meanwhile, the meeting decided not to pay dividends to shareholders owing to the loss incurred.

Oriental Hotels has planned to continue providing standard services at par with newly-established hotels. It has arranged for the renovation of buildings, replacement of AC systems with the variable refrigerant flow (VRF) system and replacement of boiler that consumes a lot of energy and also affects the environment.

The meeting informed that the hotel has developed a new strategy to implement voluntary retirement scheme (VRS), and frugality measures regarding expenses for staff. A minimum number of human resources will be engaged

by adopting the set safety protocols. Likewise, the hotel has also planned to seek concession on the interest rate and to expedite under-construction projects being carried out on land owned by the company.

Four representatives from among the institutionalised shareholders (Group A) — Subhadra Shrestha, Anil Das Shrestha, Misu Shrestha and Bidhata Shrestha — were unanimously elected as board members while Sunil Lal Shrestha and Prakash Tiwari were elected from among general shareholders (Group B). Likewise, Rabindra Lal Shrestha was elected as independent board member. The meeting of the board of directors unanimously elected Subhadra Shrestha as chairperson.

Hansraj Hulaschand announces Bajaj Exchange Maha Mela

Hansraj Hulaschand & Co, the sole authorised distributor of Bajaj motorcycles in Nepal, recently announced the 'Bajaj Exchange Maha Mela' offer with the title 'Faida More, Tension No More'. The offer started from October 3 till October 9 at Bhrikutimandap, Kathmandu.


In this offer, customers could bring an old bike of any brand and return home with a new Bajaj bike which offers one with more than 18 valuations and also Rs 10,000 more than the prevailing market of any motorcycle.


In addition to this, Bajaj Nepal also provided 0% interest on 50% down-payment facility, free accessories, and a free check-up camp.

One lucky winner also got a chance to win Samsung M-Series mobile and there were lucky door prizes.

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“AN ENTREPRENEUR SHOULD KNOW WHAT THEIR CUSTOMERS WILL SEEK BEFORE THEY ACTUALLY KNOW WHAT THEY WANT”



Minesh Rajbhandari

General Manager, Cheers.com

It was in July 2016 that Minesh Rajbhandari started Nepal's first online liquor store, Cheers.com with four partners; he is also the General Manager of the company.

When Rajbhandari first started the business, the online shopping culture was still in its infancy in the country but had a gradual and growing interest.

There were online stores dealing with clothing materials and electronic items but there was a void in the liquor market. Rajbhandari saw this as an opportunity and convinced his partners to invest.

He says that his business is being run with a slightly

different concept than the usual brick-and-mortar liquor stores that can be found in practically every place. “Although local liquor stores compete regarding prices, Cheers.com is a bit different as it is more focused on service rather than pricing,” he states.

Rajbhandari says that when you step into the business world you come across many challenges that you had not ever thought about, for instance the Covid pandemic. “But one needs to be able to adapt to the changes and build back better.” Cheers.com has recently come up with the grocery section as well. “We

wanted to do groceries from day one itself but the idea had remained stalled,” he shares. It was only after the lockdown was imposed in March last year, he gave impetus to executing the idea.

“We were forced to stay home so I thought instead of staying idle it would be good to get something done and hence the grocery section,” says Rajbhandari. “We realised it had a lot of potential.” Cheers.com started selling groceries after around a month of the lockdown and has now been selling food items, beverages, personal care and household items, pharmaceuticals and more.

Having done his Bachelor's degree in Computer Engineering and a Masters in Management from KU, he says that his education has helped create a strong base for his professional career.

In this edition of **Business 360**, Rajbhandari talks about some of his top brands and what he has learnt from them.

Top 4 apps that you use the most

Whatsapp, Instagram, Facebook, Cheers app

3 destinations within Nepal you want to travel to

Rara, Bardia National Park and Tilicho

Women-run business you think deserve accolades

Khalisiri

An entrepreneur who inspires you

Jeff Bezos

A non-profit you want to contribute to

Saathi

Your top 3 best selling liquors

Beer, Whisky and Wine

The best work advice you have received

An entrepreneur should know what their customers will seek before they actually know what they want.

What are some of the things that you have advocated during the pandemic?

The government implemented certain rules during the pandemic. The 7am to 9am rule for operating businesses during the lockdown made it really difficult to provide delivery services. The main issue with this rule was time management. So, whenever and wherever possible I was talking about how such things affect the general business scenario and the country's economy.

If you could change ONE thing about the present entrepreneurial scene in Nepal, what would that be?

People involved in businesses self-proclaiming themselves as entrepreneurs.

3 things patrons can do to promote local businesses

Instead of giving negative reviews only, customers could give positive reviews as well. Very few people appreciate the good services of local businesses. Appreciating their services will motivate them to work better.

Startups are important for a country like Nepal because...

There are many avenues that have been untouched. It's a very growing market in Nepal, where you can start something that will leave an impact and your brand becomes an identity. **B**

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“LIFE IS LIKE A DEW DROP ON THE GRASS. WHEN ON THE GRASS, IT ADDS TO THE BEAUTY OF NATURE. EVEN WHEN IT ENDS, IT EITHER QUENCHES THE THIRST OF THE BIRDS OR DISSOLVES IN THE EARTH GIVING IT MOISTURE AND REASON TO SUSTAIN LIFE. I WISH MY LIFE TO BE LIKE A DEW DROP ON THE GRASS”



Anjila Bista
Principal, Ace School

The Global Teacher Award aims to actively reach out to all corners of the world and identifies and recognises exceptional teachers who have made an outstanding contribution to their profession. This award aims to identify teachers who have demonstrated excellence in teaching different subjects, shown outstanding contribution to learners and served the community through teaching even outside formal classrooms. The award is an initiative of the Varkey Foundation, initially the Varkey GEMS Foundation, a global charitable foundation focused on improving the standards of education for underprivileged children.

Anjila Bista is the recipient of the prestigious Global Teacher Award 2021. Bista entered the teaching profession in 1996 with the passion to bring about a change in the field of education

in Nepal and enable students to become strong and responsible citizens of the country. She is the Principal of Ace School.

In this edition of **Business 360**, Bista talks about the five things that have impacted her work and life.

Taking ownership of my decisions

I feel all my decisions have been good as I am an individual who completely takes responsibility for my decisions without attributing them to time, destiny, situation or individual. I have an affinity towards all my decisions taken so far. There could be a possibility that some might impact me adversely in future but I know I will learn from them and will move forward. That's my core mantra. But the obvious answer to your question is getting into the field of education. The decision to return to Nepal to contribute in the field of education after

getting some experience in teaching and learning abroad was one decision that changed my life.

My inspiration, my mother

I derive inspiration from the air that I breathe in, the sight in front of my eyes, the prayer flags that flutter in the wind, autumn leaves floating on water, folks selling goods, people gazing out of their windows, a child going to school, morning prayers, off-tune singing of little ones – everything! I get inspired by each one of these little things in life and the person who taught me to take inspiration from every single thing in life is my mother, Renu Bista.

Dew drop on the grass

There's a famous quote by George Evans: "Every child can learn. Just not on the same day or in the same way." This is the best teaching advice that I have received and as a facilitator I wish each one of us in the education field should follow this because it's not that students do not want to learn, they are just not being taught in a way they can learn. So, we need to modify, learn-unlearn-relearn and practice everyday so that each child can benefit in the best possible way.

Life is like a dew drop on the grass. When on the grass, it adds to the beauty of nature. Even when it ends, it either quenches the thirst of the birds or dissolves in the earth giving it moisture and reason to sustain life. I wish my life to be like a dew drop on the grass.

Effective Teaching and Learning

This pandemic has obstructed the multiple prescribed ways of teaching and learning in developing countries like ours. Teachers faced a turbulent year and were forced to consider how technology could be used to keep learners safe and

engaged in education during a pandemic. With many schools switching to online modes of teaching and learning, children from marginalised communities and remote areas were unable to continue accessing an education from home. The academic year got disturbed and the adjustment to the new teaching and learning methods took some time to be accepted easily by the learners.

Online classes provide flexibility to learn where children can learn by sitting comfortably at home but too much screen time can adversely affect the children's eyesight. Although learning happens effectively through both the ways, what I feel is that the social need of young learners is affected and learning through observation cannot happen during online classes. Learners receiving in-person instruction can receive more direct, personalised learning experiences and the connection with the facilitators is better than in virtual classrooms.

I don't believe that any child could be a difficult learner. What I believe is that a particular child is seeking attention, that child is struggling and is expecting some help from us. I believe in creating an environment where the child can comfortably express themselves and render support in all possible ways.

Women as Leaders

It is the need of the hour that women hold some leadership positions. We can vividly see where the nation is headed towards under the leadership of men - what is the rate of development, state of social justice - these are all so clear and we all are experiencing it. Hence, it is necessary that men and women should work hand in hand. I feel really happy that society is evolving and equal status for women is being felt in all aspects of life. **B**



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TRAIN YOUR BRAIN TO EXERCISE



Sandesh Palungwa Limbu, Certified professional fitness instructor, founder of RAGE Fitness, and specialises in mixed martial arts.

What you think sets you up for how you do a whole lot of things in your life including exercise. We almost always have a mental chatter going on nonstop inside our heads – what we say to ourselves in this time is of great consequence to how we lead our lives. Regular exercise can turbo charge brainpower and improve mood, memory, and focus, while fighting depression and age-related cognitive decline.

Studies show that your mental outlook can affect how you react to pain during a workout, which can influence whether you dig in or throw in the towel. By understanding how the brain responds to each phase of your workout, you can make the most of the mind-body connection.

'I can't do it, exercise is not for me, I can never have enough time'... are the regular negative self talk that limits starting on a regular exercise routine. If you can just work on changing or checking your thought processes you will make huge shifts in getting things done in every aspect of your life, not just choosing a healthy lifestyle.

With positive reinforcement you are much more likely to start and stay committed to an exercise program. We all know exercise is healthy, it's good for us, but that has really not been enough to get us to work out, has it? Will possible self

talk help? Not in its entirety but it can certainly help. Know that even the biggest fitness enthusiasts have days that they struggle with exercise.

Some things that can help you train your brain to exercise include:

- Reading magazines and websites dedicated to health and fitness.
- Sign up for an organised exercise class, or take up a sport that has always interested you.
- Buy new fitness gear and shoes.
- Create an exercise log or graph.
- Take a photo each day to remember your journey and how far you have come.
- Set goals.
- Motivational quotes.
- Fitness app.
- Buddy up with an exercise partner.
- Plan fitness holidays – yoga retreats, hiking, mountain biking, swimming and

kayaking, hill runs, etc

- Create a diet and nutrition plan that you enjoy. Take charge of cooking for yourself!
- However busy, commit to 15 minutes at least of dedicated exercise.
- Feel good about what you are doing.
- Counter any procrastination by just going ahead and doing it.
- Go vegetarian at least 2-3 days a week.
- Take breaks and reward yourself occasionally.
- Meditate

Physical activity keeps your brain healthy, improves memory and prevents brain shrinkage as you age. Adults who exercise display sharper memory skills, higher concentration levels, more fluid thinking and reasoning, and greater problem-solving than those who stay sedentary. **B**

ADULTS WHO EXERCISE DISPLAY SHARPER MEMORY SKILLS, HIGHER CONCENTRATION LEVELS, MORE FLUID THINKING AND REASONING, AND GREATER PROBLEM-SOLVING THAN THOSE WHO STAY SEDENTARY.





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THROUGH THE MYSTIC EYE

THE BALANCING ACT



Sadhguru. Named one of 50 most influential people, Sadhguru is a yogi, mystic, bestselling author & poet. Sadhguru has been conferred the “Padma Vibhushan” by the Government of India in 2017, the highest civilian award of the year, accorded for exceptional and distinguished service.



Life is balance. Everything that you see as life, everything that you see as yourself is beautiful only when it is in balance. Your body, your thought, your emotion, your activity, everything is beautiful only if it is in balance.

Sitting is balance, standing is balance, walking is supreme balance. Just two feet! The way you are walking, do you know how much balance is needed? Do you know how much is involved just to keep you balanced when you walk? It is a big thing.

If you lose balance in your thought, it is called insanity. If you lose balance in your emotion, you know how horrific it can become. Emotion, the very juice of life, if it loses balance, it becomes torture, both for yourself and for others. Isn't it?

So, how to bring this balance into one's life? What is the basis of this balance? Balance is just that you are made such that even if you are in the battlefield, you are still balanced. If your inner balance is absolute, you can harness the external, your body, and your mind, to the highest possible level – and that is all a human being can do.

When it comes to external situations, there is no such thing as perfect balance. Within myself, I may be absolutely balanced, but in activity it is still a constant adjustment. There is nobody on this planet who has balanced his outside activity perfectly. I may believe this is perfect, but somebody else says this is nonsense. Isn't this happening within the family?

So external situations are always going to need an adjustment. It constantly needs to be calibrated depending upon the needs of the situations in which we are placed, but if you are physically, mentally, and emotionally absolutely balanced within you, this will naturally find expression in your activity. It is not the activity that is balanced. If you can get this physical body and this mind to function at its highest potential, that means whatever you could do in this world, you are doing to the best of your ability, depending upon the opportunity and the situation. That is all you can do.

So, when we say balance, what would be your idea of balance? Today if the day goes off well, would you call that balance? For me, balance

means – if I shut my door and sit down for four or five days, I won't have a single thought in my mind. I am not trying not to think; if I want to think I have to think, otherwise nothing comes in my mind. I am just empty headed, because not a single thought arises in my mind unless I think, but that is not the case with everybody. They have not known a single moment of no thought in their life unless they were grabbed by something outside, isn't it? It never happened by yourself simply because you are identified with something that you are not. The moment you are identified with something that you are not, thought is an endless process.

So if you want to get to this state, what do you have to do? Your mind has to take instructions from you, that is the most important thing. In many ways, it has been expressed – not just in India but all over the world. Even Jesus went to the extent of saying this, 'If therefore thine eye be single, your body shall be filled with light.' That is, in your physicality, there is always you and me. If you want to balance anything, there must be two,

only then balancing becomes a necessity. If your experience of life has transcended the duality of who you are right now, if you transcend the limitations of the physical, something beyond the physical becomes a living reality and now you have a single eye. You have one eye, you are looking at everything the same way.

Now everything is in perfect balance. You don't strive for balance anymore; existence is balance. It is only the physical reality which is fluctuating. Everything else is in perfect balance. It is only the physical which is going up and down. Isn't it so?

So, the most important thing in human life is that you transcend the limitations of the physical. You are the only creature on this planet who has come with that capability; all the other creatures are trapped in their physicality. You are capable of rising beyond the physicality but not going against your physicality. This is not about rejecting the body, this is about going a little deeper, not remaining on the surface. This is one thing that must happen to every human being. **B**

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DR TSHERING LAMA
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IDEA STUDIO

“THE BIGGEST CHALLENGE FOR ENTREPRENEURSHIP IN OUR COUNTRY IS NOT BEING ABLE TO MATCH EXPECTATIONS AND REALITY, AND CONFIDENCE AND COMPETENCY. OUR EXPECTATIONS ARE SO HIGH BUT OUR REALITY IS VERY MINIMAL OR AT TIMES NON-EXISTENT. AT TIMES I TELL PEOPLE TO KEEP EXPECTATIONS AT ZERO SO WHATEVER YOU GET IS A BONUS”

The Executive Chairperson and Co Founder of Idea Studio that mentors students to help them realise their ideas in innovation and entrepreneurship, Dr Tshering Lama prefers to call himself an enabler and not a leader. He says, “I just try to provide a suitable platform for them to achieve their goals.”

It is interesting to note that though Dr Lama is involved with a venture that is basically an ideas incubation centre, his background is in the public health. The man from the mountain, as he calls himself in reference to his birthplace of Sermathang in Helambu, he shares that his entrepreneurial journey actually started when he was doing his doctorate in telemedicine in the United Kingdom. Dr Lama clarifies that entrepreneurship does not always mean opening your own business. “When you begin to think and act on a certain idea, the entrepreneurial journey starts from there because you never know when one small idea could turn out to be a major business in the future,” he says.

Dr Lama says that health, education and livelihood are the three areas that a state needs to focus on to be recognised as a well-developed country. He emphasises that

health is everyone's business because you cannot get anything done if people are unhealthy. “And by health we don't mean only the absence of disease but access to quality and affordable healthcare too,” he elaborates. For instance, the Covid 19 pandemic was an eye-opener about the state of the healthcare system in Nepal, which is totally lacking.

In this issue of **Business 360**, Dr Lama, who has been involved with mentoring youths understand the various nuances of startup ethos or what goes into making one successful speaks about the various opportunities and challenges for startups in Nepal and his thoughts on leadership.

How would you define leadership?

For me, leadership is not always about standing in the front and leading. It is also not only about having a vision. At times when you are a leader you need to take ten steps back and push the person who is lagging behind. As a leader you have to make certain that no member of the team is left behind. Moreover, I don't like to call myself a leader. I would rather be recognised as an enabler.

During the course of my work I have met hundreds of youths who come to me with various dreams and

innovations. Those ideas they come along with are actually their vision. So, my responsibility is to provide them the platform to realise their vision. Hence, I say a leader does not need to have a vision always. Giving shape to someone else's visions also entails a lot of leadership.

They say change is the only constant in our lives and we always need to change and adapt. How do you view this?

It is absolutely true that change is the only constant. People change, situations change and even technologies change. So, we are all constantly evolving with the changing times. However, I have come to a point where I believe change is not the ultimate thing. I feel rather than just change we need to transform ourselves. Our motto is ‘Igniting Social Change’ but now I want to go beyond that concept and focus more on transformation.

There is a difference when we speak about change and transformation. Every morning when we wake up and get dressed for work we put on fresh clothing. We are changing our clothes and what these fresh clothes do is they make us feel comfortable. What I want to emphasise on is even if your clothes are stained we should

not be bothered about it. Let there be a stain on my shirt, it is fine with me. What I want is for people to be more focused on the bigger picture of life. Don't let small things come in your way.

What are the challenges you face most often in your work?

The very reason I chose to start Idea Studio were the challenges that it encompasses. I have always accepted challenges as opportunities. When I was returning to Nepal after my doctorate one of my professors asked me the reason behind me doing so. He actually asked me what was in store for me when I got back home. And my answer was simple – challenges. We are a developing country but the opportunities available here are boundless. There are also many people, especially youths, who have tremendously brilliant ideas but what is lacking is the platform for them to materialise their concepts.

I must say I have been very blessed in the sense that I received a lot of support from my family. They invested a lot for my studies and career but not all have the required support. So, I want to be there for those who have the ideas but lack the support. And there is no feeling more satisfying than when you are able to assist

others fulfil their goals. I want to invest in others. We all need to comprehend the fact that though we talk a lot about being independent we are actually all interdependent. Somehow or the other we are always connected to other people be it in the family or your work sphere. So, my biggest challenge is giving shape to the ideas that people meet me for. The other challenge that I have to constantly face is people having faith in me and trusting me with their ideas.

Speaking in general terms, the other major challenge for us is 'who we are?'. To be honest, every time I go for international conferences I don't know what to share with them. We are so blessed with nature but what have we done to utilise and at the same time preserve that? We don't know what the future of Nepal should be like. Everywhere I go, I find some Nepalis working there. How can we restore that dignity? Can Nepal ever graduate from a destination of cheap labour to that of an intellectual workforce? Now that is our challenge. So in order to do that we need to invest in education. For me, challenge is every day and it is this very challenge that keeps me awake. I want to see my impact. So investment in knowledge is important and many colleges have started doing that and we just enable them. We need to showcase that good things do happen in Nepal.

During all these years of leading Idea Studio what do you feel are the major difficulties that startups face in Nepal?

One of the foremost things we Nepalis need to understand is what type of entrepreneurship are we trying to develop. In order to do that we need to understand our history, geopolitical situation, and also the education system that we have at the moment. We could have the aspiration to build a rocket in Nepal but do we have the engineers to

see through that? The biggest challenge for entrepreneurship in our country is not being able to match expectations and reality, and confidence and competency. Our expectations are so high but our reality is very minimal or at times non-existent. At times I tell people to keep expectations at zero so whatever you get is a bonus.

Before I started Idea Studio I used to run a charity but I soon realised that it so much more valuable as a leader if you are able to teach people how to fish rather than providing them with the fish. As leaders in our respective organisations and careers we need to stress on empowering people. There is so much more dignity involved for the person who knows how to fish rather than waiting for someone to give it to them. For instance, my entrepreneurial journey started from my village when I first started an adult literacy class and then opened a health post. Now, people might say those are social aspects but we have to understand that only when a person is educated, is healthy, will they be able to earn a livelihood by either doing a job or setting up a business. So, two major challenges in Nepal are lack of knowledge and health services. To have a thriving economy these components are unavoidable.

We then need to build a system which encourages and helps develop entrepreneurship. The biggest challenge or opportunity regarding entrepreneurship in Nepal that I have witnessed is how to fill the gap between policy, knowledge and practice. And we never have a discourse together. Policies are drafted by the policymakers without consulting the academia or the knowledgeable people. And then knowledgeable people meanwhile never meet the practitioners and ask what type of work needs to be focused on so that the practitioners can do better. Practitioners, on the other hand, never come

to the colleges or universities to gather knowledge so that they can improve. Somebody's crisis is always someone else's business and that person's business is always another person's knowledge. Why don't we look into that aspect? Until and unless these three things come together we won't be able to properly develop entrepreneurship in the country. For any kind of startup or idea to thrive is like raising a baby. To give birth you need may be two people and these days one could be enough but to raise the child you need the society. Same goes with any kind of business.

I always tell people that ideas and businesses might change but I always look into taking care of the people behind those ideas. Businesses might fail but the person should not fail. And as a leader or rather enabler I try to teach them how to navigate through the challenges.

How did the idea of leading an incubation centre crop up?

Besides education and health which I earlier spoke about the third area which is very crucial is livelihood. The reason I am focusing on livelihood is that every parent wants to have a better life for themselves and their children. This very fact attracted me towards founding Idea Studio. I came up with this concept so that people wouldn't have to ask others to survive. They should be capable enough to earn a living by themselves.

Unless people are employed then nothing happens in the society or the country as a whole. Moreover, I wanted people to be job creators and not just job seekers. Once your studies are completed it is natural for you to look for a job. But now I want people to also start thinking about opening their own venture. Entrepreneurship is crucial for any country to thrive. Not everyone can be an entrepreneur but we have to

provide those who want to the platform they require and that is where our role comes into play.

Therefore, in any event I am asked to speak I always emphasise on education, health and livelihood.

You have been motivating people for such a long period of time but as a leader what keeps you going day in and day out?

It is the people I meet who motivate me. The challenges I encounter while giving shape to various innovative ideas is what keeps me going. And also when I see the positive impact that I have been able to have on someone's life satisfies me and makes me want to contribute further. People most often laud me for starting Idea Studio but what they need to realise is that the foundation for Idea Studio was laid by many people. In fact, we wouldn't be here if people didn't approach us with various ideas and dreams. I, or rather the team I would say, are here to provide the platform for people to fulfil their aspirations. That's another reason why I would prefer to be referred to as the chief enabler and not chairperson.

People approach us with different types of dreams and leadership like I said earlier is not always about being at the front. We as leaders need to trust in those dreams and invest in helping them make it a reality. Yes, at times some ideas must fail but like I always say the person behind that idea should not be seen as a failure. As a leader I always share the mistakes that I made earlier on so that they do not make those same errors. I had the luxury to make those mistakes but not everybody has that. So, my job is basically to provide a platform for a person who is walking so that they can leapfrog. And this very thought always keeps me motivated. **B**



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