

CRYPTOCURRENCY : REGULATORY
TRENDS AND CHALLENGES

COMMODITY MARKET
OUTLOOK 2022

REVENUE LEAKAGE: ARE YOU
LOSING YOUR TOP LINE?

VOL 10 • ISSUE 3 • JANUARY 2022 • RS 100

B³⁶⁰ BUSINESS



**CONSUMER
TRENDS
IN 2022**

**GOVERNMENT
AMBIGUITY KNOCKS
FRAGILE ECONOMIC
RECOVERY OFF TRACK**

**THE CHANGING
FACE OF LEADERSHIP
AT FNCCI
AND WHAT IT
MEANS FOR
BUSINESS IN NEPAL**





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We have entered 2022 yet under the shadow of the pandemic, delicately navigating health and economy as a nation that has also been facing growing corruption, poor politics, and policies shrouded in ambiguity over many, many years.

If the pandemic is to continue to mutate and bring onset of waves, it will not be surprising if countries turn inwards adopting a 'every country to itself' or 'domestic first' stance. In which case, it is a no brainer that Nepal must have a dynamic economic master plan and a foreign economic strategy that does not put it in the centre of multiple crises.

With no clear end in sight for the pandemic, what then is required is a focused government approach that takes the prospect of bigger disruptions in the future into account. This is a time that requires effective interventions, clear policies and efficient leadership.

With millions of household budgets in the red, growing inflation, likely shortages of essential commodities, dismal financial outlook, rising national debt, economy burdened by lopsided balance of payments, liquidity crunch, how we navigate the third wave will tell us a lot about the days to come. The onus lies with a government that is painfully focused on the upcoming elections.

A precarious tightrope between keeping the economy running to its full potential, creating jobs and economic opportunities and ensuring healthcare for all will require a coordinated approach between multiple stakeholders including the private sector of the country.

In these challenging times, there is new and vigorous leadership in the biggest apex business organisations of the country – FNCCI and CNI. They represent a shift in culture of doing business with a deeper understanding of the benefits of accountability and cooperation, and represent a younger and more global school of business thought. The idea is however to have the government and bureaucracy work closely to facilitate them rather than walk the known path of buying political favours by a very few. If continued unabated, the consequences will only be devastating.

Reality is that we need a political breakthrough, and we need it now.

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

Charu Chadha
editor

BIZ INDICATORS

FOREX MARKET	31-Dec-21	30-Nov-21	Year ago
USD	119.15	120.14	116.86
GBP	161.19	159.73	159.78
Chinese Renminbi (Yuan)	18.76	18.88	17.91
Indian Rupee (INR 100)	160.00	160.00	160.00
Euro	135.45	136.20	142.72
Australian Dollar	-	-	-
GOVERNMENT SECURITIES	Lowest	Highest	Weighted Avg.
Discount rate of T-bill (Subject to latest issuance)			
Treasury bills (28 days)	4.3971	5.1501	5.0453
Treasury bills (91 days)	4.9599	5.1080	5.0703
Treasury bills (182 days)	5.0100	5.1701	5.0996
Treasury bills (364 days)	4.9600	5.0000	4.9809
PRICE INDICES	Nov 21/22(p)	Nov 20/21(p)	Nov19/20(p)
National Consumer Price Index (base year 2014/15 = 100)	145.5400	138.1900	132.8200

Source: Refinitiv Eikon, Nrb

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THE CHANGING FACE OF LEADERSHIP AT FNCCI AND WHAT IT MEANS FOR BUSINESS IN NEPAL



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IN 2022



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ECONOMIC RECOVERY OFF TRACK



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IT IS MY DEEP CONVICTION THAT WHEN PEOPLE AT THE LOCAL LEVEL ARE GIVEN THE OPPORTUNITY TO DECIDE ON THEIR OWN AFFAIRS AND WHEN THE LOCAL ADMINISTRATION IS MORE PROFESSIONAL AND EFFECTIVE THEN IT IS NOT ONLY GOOD FOR THE COUNTRY BUT THE ENTIRE REGION. THE MOMENT WE HAVE MORE PEOPLE PARTICIPATING AT THE GRASSROOTS LEVEL ON DECISIONS THAT ARE DIRECTLY CONCERNING THEM THEN IT FOSTERS DEMOCRACY"

Dr Carsten Klein

Head, Friedrich Naumann Foundation for
Freedom, Regional Office, South Asia

FACE2FACE

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DR CARSTEN KLEIN
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It is my deep conviction that when people at the local level are given the opportunity to decide on their own affairs and when the local administration is more professional and effective then it is not only good for the country but the entire region. The moment we have more people participating at the grassroots level on decisions that are directly concerning them then it fosters democracy"

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THE CHANGING FACE OF LEADERSHIP AT FNCCI AND WHAT IT MEANS FOR BUSINESS IN NEPAL



It has been a little over a year since the new executive committee of the Federation of Nepalese Chambers of Commerce and Industry was installed, led by Shekhar Golchha as the President and Chandra Prasad Dhakal as the Senior Vice President. Members of the current executive committee are Dinesh Shrestha, Ram Chandra Sanghai and Anjan Shrestha as Vice Presidents and Sukunta Lal Hirachan as Treasurer.

One of the biggest achievements of this team has been the drafting of the National Economic Transformation 2030, a vision paper on where the current leadership of the FNCCI wants to see the economy of the country. The paper has set ambitious targets like increasing the size of the economy to \$100 billion dollars, generating 2.2 million jobs in the organised sector and halving the trade deficit by the year 2030, all amidst a pandemic that is destabilising economies throughout the

globe. Yet the new FNCCI leadership feels that if the country is able to persist with cooperation across sectors, the goals set out in the vision paper are largely achievable.

In this edition of **Business 360**, we invited the executive committee of FNCCI to understand their leadership style and learn their thoughts on the threats and opportunities to the national economy. Here is what they had to say...





“Enterprises can fail but the spirit of entrepreneurship must not.

SHEKHAR GOLCHHA
President, FNCCI

How would you describe the FNCCI leadership at present?

The new leadership came in at a very challenging time. There were basically two big challenges that we identified: first is that we are still reeling under the pandemic, and the second being the perception of FNCCI as an organisation with a lot of infighting. The other challenge was people had started thinking we are not effective in lobbying with the government. So, we had our plans cut out and the first thing we did after the elections was to go for a retreat. We all decided that since we do not come from any political party or different thought processes or party alignments, it is important to give time and deliver in a much more coordinated way. We went for the retreat and came back as one team. We divided our responsibilities in that meeting and since then I have to agree that it has been a very harmonious FNCCI.

It is not just the president who does the work. Everybody does, the committee members do it, and everyone at present is working together in a harmonious manner. The reason

why I have spoken about harmony is that whatever we are doing at present has got a direction. As the biggest private sector umbrella body, we can't have members doing different things at the same time. Whatever we do is more aligned and focused now. After a lot of brain-storming, we came up with a vision paper called National Economic Transformation 2030 which basically outlines FNCCI's objectives, whereby we want to have a \$100-billion-dollar economy by 2030, create 2.2 million jobs in the organised sector and halve the current trade deficit. We pointed out 100 initiatives that we need to take to achieve those targets and have identified 40 that we can immediately start during our tenure. We have communicated this to all our members and everybody has taken these as their main objectives. There is a lot more direction in whatever we speak in FNCCI and there is far more harmony and coordinated effort in whatever we do. This is something which we have achieved.

We have also been very proactive in trying to bring back the economy, which has taken a major hit due to the Covid pandemic, to some form of normalcy. The best way to ease the problem was through the monetary policy because if liquidity is kept high then the interest rates go down and money is available more easily to restructure businesses. We held a meeting with Nepal Rastra Bank and we were able to achieve quite a lot and the interests went down. Hence, our economy was able to recover much faster than what many economists had anticipated.

The FNCCI leadership now is also more focused on micro, small and medium enterprises (MSMEs) because we believe they are the backbone of the economy. During the pandemic, we lobbied with the central bank seeking subsidised loans for them and for the first

time the refinancing facility was more focused towards MSMEs. The FNCCI at present is also emphasising the need to promote startups. In short, the FNCCI is a much more coordinated and collaborative organisation at present.

What do you think are the biggest opportunities and threats to the national economy at present?

The biggest opportunity I would say, is we have been able to come out of the Covid situation much faster than anticipated. This means our economic activities are going to and should continue in a smoother manner. The pandemic has affected us a lot and tourism, entertainment and MSMEs have yet to bounce back properly. However, the biggest challenge we are facing at the moment is the liquidity crisis which is unprecedented. This crisis, I believe, has been created probably because we recovered very fast.

The other challenge we see is we do not have a stable government and a functional parliament at present and there are a number of laws related to the private sector which are still pending. We feel in order to attract investments, especially in the productive sector, we need to change a lot of laws. FNCCI has already prepared all the documents on what laws need to be changed and why we should change them but since there is no functional parliament, these laws are not given priority. Having the proper laws and policies is a must if we want to attract investments, be it domestic or foreign.

What do you feel about youth entrepreneurship and the startup culture in Nepal?

It is important not only for Nepal but for any other country to have a culture of entrepreneurship. I personally feel MSMEs and startups are the backbone of the economy. On any given day entrepreneurship is the most important thing and it needs to

be harvested. What we need to understand is that the success rate of startups in Nepal is very low. I think all stakeholders need to concentrate on how we could get rid of this problem. When I talk about resolving this problem, I am not talking about businesses failing. Enterprises can fail but the spirit of entrepreneurship must not.

A lot of young people are into MSMEs now and if you look at the organised and unorganised sectors in our country, they make up a major part of our economy. Many things have not been recorded but a lot of employment is created by the MSMEs. But the biggest challenge for them is access to finance for which the FNCCI is working with the banks and government. We have been working very closely with Nepal Bankers Association on how MSMEs could easily avail funds. The second challenge for them is access to market and for this we recently signed an agreement with Daraz. As per our agreement, MSMEs registered with FNCCI can list their products on Daraz on a zero-commission basis. Moreover, we will also be providing training on how to list the goods in every district of the country.

Any global trend you feel every business person should know of?

We are a very high-cost economy and reducing cost is a long-term perspective. It is not easy to reduce cost because logistics remain our major cost. Electricity, productivity of labour, land cost are all dampeners for production in the country. Of course, FNCCI is working very closely with the government on this issue but there are other areas where we can excel. I think the global IT trend is something we need to stress on. I think Nepali youths are very comfortable with computers and possess the knowledge so if given a good platform I think the country can excel in IT, which can help create a lot of jobs and also help export our services and

attract a lot of opportunities.

I personally feel we are a very resilient economy. And because of our youthful nature, a lot can be achieved in a very short time. We feel if the government truly believes that investment should come into the productive sector and wants to open up new areas then the government needs to create a conducive environment, especially regarding laws. It also needs to further develop the existing infrastructure.

What are the most promising business sectors of Nepal according to you?

Besides IT, I think there is a lot of scope in the services sector. Meanwhile, agriculture needs to be completely reformed. I think we need to not be looking for only staple foods but that which have higher value, which have export potential. It is not possible for us to be competitive in staple foods. But due to our biodiversity we have a lot of scope for high-value crops which we need to tap into. We can grow a lot of exotic things and with that money we can buy the staple foods. FNCCI is planning a huge agriculture seminar to see what should be done to improve the sector.

Any advice to the Finance Minister as the President of FNCCI?

It is great that the government most of the times meets its revenue targets but I would like to advise the Finance Minister that the government needs to demonstrate the same seriousness in spending that money. The government should plough back that money into the economy. Having said that, it is not the finance ministry that spends the budget but the various other ministries. The message I would like to give to all the ministries is that if spending does not happen then the whole economy is going to slow down to a point where inflation will rise and people will start losing jobs.

“

One of the biggest challenges we have been perennially facing is that the policies that the government frames are not stable. Every time there is a change in government, the policies also tend to change. There is no lack of opportunity in Nepal. It is just a question of how we are able to frame the required policies to harness the resources that we have.

CHANDRA PRASAD DHAKAL

Senior Vice President, FNCCI

How would you describe the FNCCI leadership at present?

If you look at the leadership now, you will see that we are a pretty young team and we are representing all sectors of the economy. It has been just a year since we began our tenure but within this short period of time, we have tried to achieve the most we can. We created a vision paper for the national economy and we are also preparing a comprehensive database. The vision paper is a big achievement for us and we are working with the government to achieve the goals set in the paper. We did a lot of research and brainstorming before coming up with the vision paper.

One of the things in the FNCCI leadership in the past was there used to be some friction among the members of the executive committee; some used to be against some document while others used to be for it. However, the current members are working as one team. Yes, it is natural that during the FNCCI elections there will be some members supporting one candidate and other supporting a different candidate. But after the election was over and the executive committee was formed, there has been no such issue. From the day the election ended we have forgotten our differences and moved ahead as a team which I think is a very good thing for the federation. We are now as a team more focused on how we can coordinate and lobby with the concerned government authorities to help the private sector. And I believe the unity that the present FNCCI leadership has demonstrated has helped us to more effectively lobby with the government.

If we are able to carry forward this unity then it will further help achieve our goals. Not only within FNCCI, we are also coordinating with other umbrella organisations of the private sector to unite and bring out a unified voice. This is something that you can see during this tenure, the coordination and partnership with other umbrella organisations too. One year is not a long time but this message that we have been able to convey within a year will stand in good stead for the entire private sector of the country.

What do you think are the biggest opportunities and threats to the national economy at present?

One of the biggest challenges we have been perennially facing is that the policies that the government frames are not stable. Every time there is a change in government, the policies also tend to change. What we should all realise is that to have a good business climate the policies need to be stable. Covid has been a great loss to the economy. The economy was on the mend gradually but now again there is a new variant of the virus, so we are a bit apprehensive if this could again affect the economy. But if we have a stable policy and if it comes out with rules to support the economy and develop domestic production, then there are so many opportunities here. There is no lack of opportunity in Nepal. It is just a question of how we are able to frame the required policies to harness the resources that we have.

What are the most promising business sectors of Nepal according to you?

If we talk about Nepal and if I have to give it on a point basis, then tourism is one of the sectors with a lot of opportunities. Whether you talk about the temples or the religious sites like Pashupati and Lumbini, there is so much here. The first thing I would

say is that we must explore the tourism sector because we already have the things that are required for tourism, we just need to manage them and market them properly. Then it has to be the hydropower potential that we possess; we need to further capitalise on this asset. Also we need to capitalise on mining. In case of manufacturing, we are in between India and China, so if we can boost our production these two countries can become huge markets for us. I think there is a possibility for all business activities in Nepal, it is just about developing the willpower and working towards achieving our potential.

What do you feel about youth entrepreneurship and the startup culture in Nepal?

Previously, only people who had the money or those who had property to keep as collateral and avail loans from banks could and would start a business. But that was a concept back then. Now if you have a viable project, if there is innovation, then finance will not be difficult for you. There are so many financial institutions in the country that provide the necessary funds. Even individual investors are giving priority to innovation in Nepal these days. That culture of youth entrepreneurship and startups has started to gradually grow in our country. Even within FNCCI, we have plans to select 50 startups and match them with investors. That basically is just a start and I believe in the future this startup culture will flourish in our country. We have been talking with the commerce ministry and finance ministry so that we can further help youth entrepreneurs. We are lobbying for a good policy. I strongly feel in the coming days youth entrepreneurship will gain more momentum in Nepal.

Any global trend you feel every business person should know of?

At present, we are all talking about digitising everything that we do whether it be education or business. This is one global trend that we had already been adopting and I think the Covid pandemic just hastened the process. We have started conducting so many transactions through our mobile phones, now we can further develop that. There is a possibility of staying in Nepal and working for the global market and we need to tap that potential. Like how India has grown by leaps and bounds in the IT sector, we can do it our country too. Right now, I see there is an opportunity in every area.

Your vision for the national economy...

There is a possibility and opportunity in every sector. As the Senior VP of FNCCI and as an entrepreneur, I think we should try to create employment for as many people as possible. We should also prioritise domestic production and substitute imports. And in places where there is no infrastructure we need to develop it so that people in those places can also become economically active. Personally, we are planning to build tourist attractions like Chandragiri in all seven provinces. We will soon be starting work in Butwal and Gaidakot. Similarly, we are also starting in Sikles. We are trying to promote domestic tourism and at the same time also attract international travellers. The main thing is when people have gone abroad and acquired some skills, we need to be able to retain them in the country so that they can contribute to our economy. We need to capitalise on that.

“

Across the globe there are new ideas being generated and new technologies being developed for the economic benefit of the country. We need to closely watch these developments because today we are talking about hydropower but what if tomorrow there is a better and cheaper source of energy.

DINESH SHRESTHA

Vice President - District, Municipal

How would you describe the FNCCI leadership at present?

One of the main aspects of the FNCCI leadership at present is that we are working as a team for the benefit of the entire private sector. However, due to the Covid pandemic we have not been able to work as planned since the beginning. What can be noticed now within the federation is that all the committees have become very active. Unless we are united as a team, we will not be able to achieve the things we set out to do and that is a crucial factor – being on the same wavelength. The members have elected us and we need to fulfil their aspirations.

The FNCCI was basically established to lobby with the government on agendas that are important for the private sector to develop but when there are fragmented voices being raised then your voice gets drowned out. I think the current leadership is aware of this and has been uniting all members to stand on the same platform so that our lobbying is more effective. It is necessary that the executive committee members speak in one voice and that is what the current FNCCI leadership is all about.

Moreover, we have not just focused on seeking facilities but are also advising the government on how the tax system can be streamlined and made more effective and business-friendly so that the state can earn proper revenue. Whether it be the annual budget or the monetary policy, the FNCCI leadership has provided suggestions to the government and some have been included which is an achievement for us. However, what the current FNCCI leadership has done is that any issue that we take up with the state is not for the benefit of just an individual or a certain group, it is for the greater good of the country's business community.

The present leadership's mission is to help domestic industries become more competitive in the international

market and we are urging the government to frame policies accordingly.

What do you think are the biggest opportunities and threats to the national economy at present?

The biggest threat to us are India and China simply because of the size of their economies. However, if our politicians and stakeholders realise the importance and maintain cordial relations with them, then they can become big opportunities. We need to be more diplomatic and try to urge both the nations to allow goods manufactured in third countries to be exported to their markets from Nepal and if this could happen then it won't take long for us to economically develop like Singapore. We are a small country so if we demonstrate the will we can develop quite quickly.

The problem right now is around 2% of India's exports are to Nepal, which is a huge amount and that is why the trade deficit is ballooning. And at present, trade with China is like one-way traffic – we are importing their goods but they aren't citing dangers associated with Covid. Previously, we had to worry only about the southern neighbour but now even China has become a major trade threat.

I see a lot of potential in hydropower and infrastructure. If we can develop our infrastructure, it will create more opportunities. The government is building roads and trying to expand telecommunication services and though not as expected, it is a laudable move. The other aspect which could help us is if the government digitalises all its services.

There is one area I would like to talk about is the taxation system, which I feel does not encourage people to take risks and start businesses. If a person deposits money in the bank, then you get like 10% interest and the tax on it is 5%. If one builds and rents out their house, then the tax on it is 10%. However, when you open a

business, which is about taking a lot of risks, then one has to pay 35% tax. So, in a way we are promoting the culture of lying back and earning more than taking risks to start an enterprise.

What do you feel about youth entrepreneurship and startup culture in Nepal?

The startup culture is gradually gaining traction here but most of the time it is limited to discussions. Even when you look at smaller nations like Singapore and Taiwan, which have developed tremendously they have invested a lot in developing entrepreneurship. The government collects taxes from us but the question is where does it put in all that money; this is very important. For startups to succeed there has to be good investment. The government needs to promote and facilitate them. The nations I just mentioned invest in the startups with the knowledge that all will not succeed but even if one does, it will help recoup the investment. It is very important that the youngsters who are starting businesses be given the opportunity to foster. They should not feel there is no opportunity in the country and go abroad. At present, it is mostly the unskilled who are migrating for work but if we make things difficult for them it won't be long before the educated youths too start migrating in droves.

What are the most promising business sectors of Nepal according to you?

There are a couple of sectors which have promise and we have been advising the government regarding them. We had earlier apprised the government about the potential of cement and now it has gathered pace. Yes, we are small and do not have raw materials but even Japan does not have much, yet it is a manufacturing hub. It is all about having proper discussions

and identifying which industries we want to promote and working accordingly. The hydropower sector is another example of how things can happen if the right policies are introduced.

Tourism, education and health, I believe, have good scope. Everybody talks about agriculture but we have to realise that our government cannot provide the type of facilities given by India and China to their farmers so it will be difficult to be competitive unless we focus on a few high-value niche crops. Education has tremendous potential. If you compare the cost of studying medicine or engineering in developed countries to that in Nepal, it is really cheap here. We need to promote this sector. If we could open world-class schools in the Tarai and proper promotion is done, we could attract Indian students. The other advantage we have is our climate which we could market for medical tourism. I would again emphasise let's have thorough discussions and identify such core sectors and work in collaboration.

Any global trend you feel every business person should know of?

Across the globe there are new ideas being generated and new technologies being developed for the economic benefit of the country. We need to closely watch these developments because today we are talking about hydropower but what if tomorrow there is a better and cheaper source of energy. So, the global trend at present is all about generating new ideas and we should encourage people here to think of new ideas. The other aspect I would like to dwell on is that countries become rich by selling the resources that are available there. So, we also need to utilise our resources.

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I personally feel that the word 'economy' should be a part of the vocabulary of every politician and bureaucrat.

RAM CHANDRA SANGHAI
Vice President – Associate

How would you describe the FNCCI leadership at present?

I can't talk much about the previous leaderships of FNCCI but the current leadership is a united one and the President we have at present I must say is a very amicable person who can get the team going in a united manner. What I feel is that we are business persons involved in various sectors and we are working to resolve the problems that keep arising, and we understand that we need a united voice to resolve issues. Once in a leadership position, it is also our duty to understand the problems being faced by various businesses and try to resolve them. For that I think we have a perfect team now at FNCCI.

What do you think are the biggest opportunities and threats to the national economy at present?

Whenever I think of threat to our national economy, the only thing that crops up in my mind is the need for a stable government. I always lay emphasis on that and give it a lot of importance because when we have a stable government then only can we actually give time to thinking on how we can develop the country, be it economically or socially. Whenever there is an unstable government then there will always be fighting among the political parties on who is going to form the next government and the economy is pushed to the backburner. The government will not be able to focus and move on the path of development because everyone is preoccupied with forming the next government. We have been trying to convey this message through various platforms but that thought has still not developed among the political leaders.

The opportunity I see is that our country has all the prerequisites for tourism. We can do a lot of things in tourism in a big way. Just recently I was in Switzerland and when I saw the development there, the first thought was why can't Nepal be like that. Why haven't we been able to develop? Like the Swiss, we also have mountains and rivers and nature has given us so much but we haven't been able to do much. Even if we have the tourism potential what we need to realise is that the infrastructure needs to be proper. Our roads are so bad and most roads after six months of being built start getting littered with potholes. I travelled a couple of thousands of kilometres by road in Switzerland but not once did I encounter any pothole and there was no garbage. Even the rivers were so clean. We can do all that in Nepal and if we are able to, I see a lot of potential in tourism.

We also have a lot of potential in hydroelectricity. The government has taken

a lead role to develop hydroelectricity but now again I have seen that it is holding back in signing PPAs. The reason it is citing is because there is less consumption. When we talk to the government it says when there is not much consumption then what is the point in producing more but it should have thought about having the necessary infrastructure beforehand. We need to analyse where we went wrong. If we can develop this further then it will boost our economy.

How do you view our policies?

If the government takes businesses into confidence and develops laws and policies in collaboration with the private sector then definitely, we will have proper policies. But what happens is that the government makes policies and introduces them and there are always drawbacks in many. And then we have to again hold talks with the state for the required changes. Whenever the government introduces any policy, it should know how it is going to affect the businesses both in the short and long term. They have to study the long-term effect of the policy. Just recently, there was a policy of not allowing the import of plastic but we must realise that the moment it is implemented all the industries based on that commodity will have to shut down. Again, business persons had to hold talks and get it amended. The moment industries close down, the government should realise that hundreds will lose employment and the state will also lose out on tax revenue. Rules should be introduced after proper study and there should be a timeline so that everybody can gradually adopt and adapt to the changes. Now there are some products where we have to use plastic so if you ban it totally then what are those industries going to do? There should be an alternate before such decisions are taken. When policies are framed for the benefit of just a few then it will hurt the larger industry.

What do you feel about youth entrepreneurship and the startup culture in Nepal?

I have always said that the youths should be given the opportunity to start their own businesses or to get decent jobs. FNCCI is taking the initiative to help small businesses and startups. We have conducted numerous meetings for that. Even the government has taken an initiative for that. I am not very optimistic about the government initiative but I hope something good comes out of it.

Your vision for the national economy...

I personally feel that the word 'economy' should be a part of the vocabulary of every politician and bureaucrat. It has to be an urge from within that the economy should always get priority. The business community is ready for economic growth, now we need to have the government speak on similar lines. When any business person starts a business, they will want to grow it. It's like raising a plant; how to plant it, water it, fertilise it and harvest it. Even if I don't have the knowledge initially, I will study about it before I start any business. That will be within me. Even when I am praying, I will have that business in mind. So, the government people need to have a similar feeling. They should not think about only their vested issues but about the economic growth of the country. If that happens then there will be more employment. FNCCI has taken out a vision paper so we are working towards it but at the end of the day, all stakeholders need to be on the same platform. The government needs to be serious and without developing the productive sector, I don't think we can have good economic growth. Look at any country's history, economic growth is about boosting productive industries. Even Bangladesh focused on garments with backward linkages and today it

is the second largest exporter of garments. Twenty years back we were ahead of Bangladesh in garments.

What are the most promising business sectors of Nepal according to you?

For economic growth, I think there are four sectors which could help us. The first would be tourism. The other is hydroelectricity. The next is agriculture because the land in Nepal is very fertile so we can tap into that. Not only fertility, the soil here is so good that the crops produced here are tastier. For instance, if you consume rice that is grown in Nepal and that which is grown in some other country, you will be able to find the difference. The fourth area that the country needs to focus on is the productive sector. The government should always treat any industry like it is their child. It has to raise that industry the way it would a child. The government should be aware that if any industry collapses, the ramifications are great. If it acknowledges the importance of that then we can have tremendous economic growth.

Any global trend you feel every business person should know of?

I think in our country we haven't still developed the concept like in other economically strong nations that when I set up an industry here then I should be thinking about the global market too and not only the domestic market. We should think of expanding to other countries too but the problem is we cannot send money abroad for such purposes and we have been lagging behind. The government should hold discussions and introduce a policy whereby we can invest in foreign lands and if we are allowed then we will be able to compete. This is one global trend I would like to see in our country.

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The greatest threat in the country is most of the laws are not business or investor friendly. Many of the laws have been introduced just to regulate businesses. Even if it was just regulatory it wouldn't have been a problem, the issue is it does not allow you to grow as expected.

SUKUNTA LAL HIRACHAN

Treasurer

How would you describe the FNCCI leadership at present?

The executive committee that we have under the leadership of our current President has a lot more unity now. Not only that, there is much more coordination between the other private sector umbrella organisations like the Confederation of Nepalese Industries and Nepal Chamber of Commerce with FNCCI. You must have noticed we have taken out joint statements on a number of occasions. The current FNCCI leadership has been able to unite all business persons to raise a similar voice. The second thing is we have taken out a Vision Paper 2030 on what the government was and is supposed to do. We have taken the responsibility to work on this. The vision paper will also help our policy makers a lot. There are many parts to the vision paper and it has already been endorsed by the FNCCI's annual general meeting. We are trying to increase GDP and employment by 2030 and also reduce trade deficit. Such a plan was lacking previously.

What do you think are the biggest opportunities and threats to the national economy at present?

The greatest threat in the country is most of the laws are not business or investor friendly. Many of the laws have been introduced just to regulate businesses. Even if it was just regulatory it wouldn't have been a problem, the issue is it does not allow you to grow as expected. Like for instance, I have invested in hydropower too but it is mind boggling when you look at the number of ministries and departments you have to visit before you can actually start. One needs to visit so many ministries and each place has so many hurdles that it becomes a tiresome effort. It is very difficult to start any new venture due to so much of red tape. There has to be a simplified mechanism for anybody to start any business.

You can try starting any business and you will realise what I am trying to say.

The rules are made in such a way that it is like 'if I cannot strangle you with one law then there is another law for that'. It is only about restricting growth. In this way it will be difficult to move ahead. Now there are countries which will lay out a red carpet if you want to invest and there are some now who are willing to compensate you if you do face losses. But in Nepal starting a business itself is a Herculean task. The government talks about one-window and single-door policy to attract investments but when you actually start, it is like going through a maze. We are scaring away the investors even before they have actually come. The first thing we need is be investment friendly and have rules accordingly. There are some friendly laws but again there is always another law that contradicts it. Some laws are overlapping or contradicting. And the sad thing is the ones implementing the laws all seem to have a negative mindset; they never speak anything positive.

There are tremendous opportunities here in agriculture. Nature has given us so much; within a span of like 500 to 600 kilometres we have the highest mountains and also the tarai. The only thing we need to do is utilise them properly. I would like to mention that awareness among people has risen but most are focusing only on the negatives. For instance, if you want to set up a hydro plant then the people there think as though money will fall from the sky and the amount they seek in compensation is mindboggling. Even the health sector has so much potential. We could have medical tourism. That has a tremendous potential because Nepal is an all-weather country. We have fantastic weather here to develop medical tourism. We

are also very service oriented. And some say we Nepalis are lazy, it is not so. You go abroad and you will see Nepalis doing amazing work. It is just that here maybe we don't have the opportunity.

What do you feel about youth entrepreneurship and the startup culture in Nepal?

I think the culture of startups and youths getting into business is really good and we have to give them the opportunity. The main problem is there are so many youths registering new businesses but only 5% may be able to access the required resources. This is one area where we need to work on and FNCCI too has taken the initiative to not only help startups but micro, small and medium enterprises (MSMEs) too. The government is also trying to give this concept a boost. The only problem in our country is regarding the implementation. There is a budget announcement and a lot of clapping. But after that it just dies out. We haven't developed a culture to follow through on achieving the things we plan or announce. The problem is we do not value time. We take ages to implement the decisions we take. The one thing youths need to be careful of is not following the crowd. Do not start something that others are doing because they are making profits. That is one reason why some sectors become overcrowded and all fail.

Your vision for the national economy...

The first thing is we have to increase the size of our economy. The next is to reduce the trade deficit and then focus on generating more employment opportunities. For

this the government has to create a proper environment. Businesses are run by the private sector and it should remain like that. The government needs to just put the proper policies in place and facilitate businesses. It has to trust the private sector because you can see any country that progresses, it is due to the private sector progressing. And just framing policies is not enough, they have to be properly implemented too.

The other area I would like to speak about is the mechanism for judging cases also needs to be improved. If you look at the trend here, then when you go to the labour ministry with any issue, it is usually the employer who loses the case. There is bias, all facts and figures need to be taken into consideration without any prejudice. I am not saying that if the employer is wrong you have to support them. Justice needs to be unbiased. We also need to prioritise domestic production. It would be nice if people gave preference to domestic goods.

Any global trend you feel every business person should know of?

I think the one global trend that every Nepali business needs to be aware of is the rapid development that is taking place in information technology. This is the age of virtual reality and artificial intelligence. People across the globe are adopting digital modes in literally every sector. So, we should stay in tune with these technological advancements and implement them in Nepal. It is not that we have not been doing so, all I am saying is that technology or the access to it should not be limited to the urban centres. Every citizen should be able to reap the benefits of technology.

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If you look at the policies in recent times, you get the feeling that they have been introduced to favour a set of people or a group. We are moving towards a culture of favouritism. I also feel that the policies do not have long-term vision and are brought for short-term benefit of a certain group. Those running the government are into favouritism and this is a big challenge now. There is no predictability in the rules and regulations that are introduced.

ANJAN SHRESTHA
Vice President - Commodity

How would you describe the FNCCI leadership at present?

It is not proper to compare the present leadership with those in the past but what I can talk about is what we have done. We have done a lot of homework to prepare the Vision Paper 2030. We have various forums and committees in the federation and we have made them very active these days. We are working towards fulfilling the objectives of the vision paper and what the new leadership has done is made all the members active and interactive. I think that is the biggest achievement of the current leadership at FNCCI, getting more members involved.

What do you think are the biggest opportunities and threats to the national economy at present?

The biggest threat to the economy as far as I have seen is the inconsistency in policies introduced by the government. The country is

not moving ahead as per good governance principles. If you look at the policies in recent times, you get the feeling that they have been introduced to favour a set of people or a group. We are moving towards a culture of favouritism. I also feel that the policies do not have long-term vision and are brought for short-term benefit of a certain group. Those running the government are into favouritism and this is a big challenge now. There is no predictability in the rules and regulations that are introduced.

The other thing is we will soon be graduating to a developing country from the status of a Least Developed Country and we keep talking about achieving the Sustainable Development Goals (SDGs), but every year we have a problem with funding. We lack the funds that are necessary for the economic and social development of the country. How can we achieve the SDGs by 2030 and what is the way forward once we have graduated? That is a question that needs to be deeply studied. It is not about just wanting to be a developing country. We need to have the required funds too. So there has to be management of funds. Right now, we consistently hear about increasing government revenue but what everybody needs to realise is how are you going to increase revenue when the economy is not growing. The GDP needs to grow first and for that there has to be enough investment in the country. We don't have the capacity to spend capital budget. Even this year it is stuck at around 4%-5%. Even after the budget has been revised and the capital expenditure reduced it is still so low. So how are we going to achieve all those goals?

The other thing is we now have enough electricity production but lack transmission lines to distribute that. We never planned for that. Everyone seems to be doing things in an ad-hoc manner – both, those running the government and the

bureaucracy. This is very clear. Right now, we have surplus energy but the sad thing is neither do we have the capacity to domestically consume it or export it? We always talk about prosperous Nepal but a country can never be prosperous when things are done based on ad hoc manner. The other challenging aspect is it is very difficult to access land to do business or set up industries.

If we talk about the opportunities here, then there are tremendous possibilities. From tourism to agriculture to manufacturing to mines. Look at the cement industry in the country. It has become so huge. If there is a will to do something by the government then the private sector will help achieve that. We have a scope in minerals and precious stones too. It is about how we can leverage them. Take hydro for instance. Right now, there is a policy of the Indian government that if a hydro project is developed through foreign investment, then the energy generated cannot be exported to India. Such types of issues need to be resolved through diplomatic channels. It should be done through G2G talks and our government needs to convince the Indian government. Where is the political diplomacy?

Even during my lifetime, the country has been through so many political changes and today we are a federal republic. However, the thought process of the leaders and the people do not seem to have changed much. It is time and very necessary that we change the way we think and look at things.

What do you feel about youth entrepreneurship and the startup culture in Nepal?

Previously most of the youths were into seeking jobs but now that has changed for the better and most want to become job providers. This change from job-seekers to job-providers is a very positive development. We can see so many young people starting businesses even if it is on a

small scale. New ideas are being generated. Now to support those youths who want to start something on their own, there has to be proper laws and policies that help them move forward. The government has to ease the process of setting up businesses for them and provide support. It has announced through the budget that it has set up a fund for startups but the sad part is that implementation of the policies related to it is slow. Making announcements will not suffice, it has to be implemented promptly. If things are delayed, then we will not be able to achieve much.

Your vision for the national economy...

We have been facing problems since the last two years due to the coronavirus pandemic but I see a lot of potential in the economy. Once the pandemic is over, we can move ahead fast. What I would like to say is that the government should not be involved in business whether it is manufacturing or trading. Its job is to monitor and facilitate and regulate if something goes wrong. It has to act like a guardian to foster the economy. That has been lacking. I have noticed among politicians and the bureaucracy that some of them feel the government should be involved in business. We have adopted a free-market economy and it is enshrined in the constitution. What this means is that the government should not be doing business. It has to see how it can develop the private sector and make sure funds are adequately available for investment. What we all also have to realise is that no matter what plan we make be it a five-year or a 10-year goal, the first thing you need is finances and for that the economy has to grow. FNCCI, as the largest private sector umbrella body, has been lobbying with the government and doing all that is necessary to secure investment. We will further work on that.

What are the most promising business sectors of Nepal according to you?

What I have seen is that tourism is the sector with the biggest potential in Nepal. The next is hydropower. Agriculture also has the potential but the problem in recent times is that land is being fragmented and when this happens it is difficult to have large scale commercial farming. There have been talks about contract farming but we have not been able to move ahead accordingly. Land use policy needs to be clearly defined and implemented effectively.

For tourism to further grow the government needs to work on developing the destinations and build the required infrastructure. The remaining investment will be done by the private sector. I believe we can be prosperous through hydroelectricity. Now to develop projects with huge capacity we need foreign investments so there has to be economic diplomacy and Nepal needs to convince India to buy the power generated through such projects because India is a vast market and the energy they require is ever-growing.

Any global trend you feel every business person should know of?

The one trend that we should all focus on and many have already started doing is to go digital. Even in Nepal people have started adopting digital means in so many areas. We should be in that digital loop and not carry on in traditional ways. Now the world is talking about artificial intelligence and other new technologies so we should be able to introduce those concepts here too. I think in recent times more than manufacturing, the tech business is surging way ahead, so we have to adopt that. It's nice to see our youths are more technology friendly. **B**



Green Shoots In Entrepreneurship Arena

START-UPS ARE HANDLING HARD TIMES BETTER



Basant Chaudhary is a Poet, Writer, Chairman of BLC and Basant Chaudhary Foundation. (feedback@basantchaudhary.com)



The boy was at his wits end. Having just stepped into his teens he was flustered by one common advice being piled upon him from all quarters, from neighbours to stationery seller to vegetable vendor to milkman, and, of course, from most relatives. "Achchhi naukri karna (Get a good job)." The trauma continued till the education minister visited his class. The nervous teacher, apparently to impress the minister, squeaked, "Achchhi naukri karna." But even before the boy could utter a word, the minister stated, "Achchhi naukri dena (Provide good jobs). If all of you want to take up jobs only, then who will create and provide new jobs?" The class broke into a cheer.

Obviously, a myth had been shattered.

This is the gist of an advertisement running on most Indian TV channels currently. Sponsored by the government of the national capital territory of Delhi, the campaign hits out at the mad race for secure government jobs in our part of the world. Those who reject the trodden path to launch their own enterprises from scratch are the ones who create job opportunities and wealth for the society. Yet the same society, caught in its traditional and

backward thinking, denies due respect to these entrepreneurs. Recognition comes to these brave hearts after years of toil and struggle.

The TV advertisement I talked of is a testimony of the changing times. The government is fast realising that the days of government jobs for all are gone; they will not return. Growing countries are now actively following the principle of less government and more governance. Advanced and wealthy nations have understood and imbibed this fundamental postulate way before. That is why they are where they are. They endured the pain of entrepreneurship, failed and fumbled, time and again, but got back on their feet. And then came the gain that spread across the society not by way of mere jobs in their growing enterprises but by bolstering the entrepreneurial spirit. If the entrepreneur can do it, then why can't we. Societies and countries started thinking thus and gained prosperity the entrepreneurial way.

I find this vital energy cutting across age barriers now. Earlier when we discussed someone's career or future, the person being talked about generally used to be in his or her twenties. But now even

persons in their forties or fifties are seeking to plough a new furrow for themselves.

Lately, I managed to scrape out time for some quality TV watching. Sony TV has recently launched a programme called Shark Tank India, a franchise of its Western version. The programme provides a platform to startups and aspiring entrepreneurs for live interaction with venture capitalists who have a successful launch record. So far, I have seen entrepreneurs from 16 to 50+ years of age discussing and displaying their business proposals and experience with venture capitalists. They seek funding against equity in their proposed businesses. It is not just money that the entrepreneurs are looking for. Many a time, they settle for a lesser investment offer if they feel that the funder's experience, contacts, passion, etc. may add greater value to their enterprise. On the spot, decisions are taken and cheques are issued to the delighted entrepreneurs. Many aspirants return empty-handed but considerably enriched by the advice from the highly experienced venture capitalists, some of whom have built \$2-billion brands.

Enterprises may appear to be the stuff of dreams

to some. Hardly so to those who combine passion with pragmatism. Today, we indeed hear of, at least, more than one Unicorn (a privately held start-up company with a value of over \$1 billion) making its presence in the business world every month. That may seem a lot but we need not forget that thousands of start-ups fall by the wayside.

The Covid pandemic is imparting new lessons to us every day. Entrepreneurs need to be all the more vigilant about them. Are your start-up and also your team nimble, flexible and responsive to the new and emerging needs of the market? Are you ready and equipped to make changes in your pricing, marketing, staffing, warehousing, etc.? Remember that all this will be possible only if you are able to lead a culture change in your enterprise. No less important is admission of the fact that all your business factors are not under your control at any time and all the more so during a global health catastrophe. So, brainstorm and discover the factors that are within your control. Focus on them. That is the practical way of saving and growing your enterprise and also keeping intact your faith in entrepreneurship. **B**

ISO 9001:2015
ISO 14001:2015
ISO 45001:2018
Certified Company



सँधै विशाल, अडिग र उच्च

सगरमाथा सिमेन्ट जुनी जुनीलाई...



CONSUMER TRENDS in 2022



Since the outbreak of the Covid 19 virus, the market has witnessed many changes in not only the ways we interact but also in the ways we do business. In the past two years, we have seen a remarkable increase in digital engagement for shopping and payments.

With availability of vaccines, there has been some level of relief to businesses that were struggling to cope in the pandemic, however nothing is predictable as the virus continues to mutate and raise alarm every now and then. While work life has seen a growth of hybrid models of business and people are coming to terms with living in the new normal, we decided to ask four business personalities about the consumer trends we should be aware of in 2022.

Anil Keshary Shah

CEO, Nabil Bank



I believe the dynamics of business have changed vastly in the last two years in comparison to changes that have taken place in the last 20 years. Every sector has been impacted because of Covid but this cannot stop anyone from moving forward in life.

Digitisation: The first and foremost is digitisation. I think we need to see how we can use technology to push our business even further. Not only in banking, we can see digitisation happening in other sectors too. Young entrepreneurs are also using the concept of digitisation. Many have started becoming job providers instead of job seekers. The pandemic has helped us see that to run a business we don't need staff, we don't need a place and pay rent, we could promote it on Facebook or Instagram, and that's how businesses have started in the last couple of years. This kind of business has been doing exceptionally well too. The startups have been doing well in going digital and those already established businesses too have to adopt the digital platform to compete in the market.

Realise, recognise and adapt to the revolution: We must realise that the market we had in 2020 will not be the same in 2022. I believe the

dynamics of business have changed vastly in the last two years in comparison to changes that have taken place in the last 20 years. Every sector has been impacted because of Covid but this cannot stop anyone from moving forward in life. This pandemic itself has encouraged us to realise the constant changes in the market and also in life; recognise the changes and adapt accordingly. This is a part of the revolution, we have to adapt and move along with it.

The work environment:

First we must realise the work environment regardless of what business you own, let it be big or small, the way you and your team were working is very different in the past and will be very different in 2022. We must realise the fear due to Covid and adapt and make the team members feel safe according to it. Henceforth, we have to realise the changes, recognise them and adapt according to the ongoing revolution.

In the banking sector, during the first lockdown we realised everything will go digital, so we launched e@nabil and other digital platforms much before the market caught up to it. In the course of two years we have changed the way people look at banks not only internally but also externally. That didn't just happen overnight, it took a lot of time, we looked through the whole environment and the situation. This is where the adaptation and revolution come into play.

Regulatory environment:

We have to recognise that the regulatory environment is also changing. We cannot always blame the government each and every time. But let's be positive at least in banking, our regulator Nepal Rastra Bank has been very proactive. The QR code is one of the most active mediums in today's world. The smallest of businesses own QR codes for easy access. I see that the regulatory environment has been recognised by our

government as well. There is a change happening and to keep the people safe we have to go according to the changes. A lot of payments from the government are starting to happen through the online medium. Paying taxes, traffic violation fines, among others, are being done online. This shows that the regulatory environment has changed. We can embrace the changes and as a business house we have to follow and adapt to the changes introduced by the government as well and from our individual level as well.

Open your mind: Make 2022 the year where you do not just do new things but think of new ways to do the same thing you were doing before. If we don't, we will be moving forward but within the same loop. The silver lining of Covid is it has given us an opportunity, it has compelled us to bring change in our life.

Akash Golchha

Managing Director, GO Ford



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We need to keep changing regularly in all aspects – the products you introduce, the way you reach out to customers or the way you present your product. Things were moving towards digitisation and Covid has accelerated the whole process.

Focus on after-sales and consumer satisfaction: In today's time, we need to focus on after-sales service and customer satisfaction because all the customers have higher expectations and to meet them we have to continuously improve and upgrade. Every satisfied customer is the best form of publicity and gets you more customers and every unsatisfied customer will influence your probable customer not to buy. Since customers' expectations keep rising every year, we need to work hard and keep ourselves up to their expectations and every year we have to improve on our benchmark. So, making customers happy is one of the most important things for any

business which will pay back in the long term.

Customers reviews and research: Earlier, customers could not research more before buying a product as the choices were limited and there were not too many research resources available. These days, customers spend time and research before making a decision. The internet has made everything accessible in addition to people taking the opinions of friends and family. They also check reviews of local markets and at the same time they see global reviews. Most customers know what exactly they are looking for and what they need.

Products with latest technology: Customers do not just buy a product to fulfil

their basic needs. For example, customers don't buy mobile phones to make a call or don't buy a car just to go from Point A to Point B. They are looking for more features, options and latest technology. People do get excited with the options and features that sound/seem cool. There are times when a customer buys a product for a fancy feather which looks cool but they may not use it or use it very rarely. It is very important to launch products with all the extra features, add-ons so that people get attracted and your product gets noticed.

Customers are smarter than you think: These days customers have great exposure as people travel a lot and have access to global information.

Customers are updated about the latest trends and technology. We need to give the right solution to the customer and refrain from giving any misleading or false information which the customer may find out later and lose trust factor.

Keep updating as customer behaviour keeps changing: We need to keep changing regularly in all aspects – the products you introduce, the way you reach out to customers or the way you present your product. Things were moving towards digitisation and Covid has accelerated the whole process. It's very important to increase your digital presence, it could be for promotion of your product digitally to selling online.

Shreejana Rana

President, Hotel Association Nepal



Go digital: Maximise the use of technology. Increasing the use of contactless online portals for reservations, check-ins, check-outs and payments.

Bespoke tourism: Tailor made personalised tour packages as we expect mostly solo and small groups of travellers for a few more years.

Focus on holistic practices and wellbeing: Hospitality focused on health, hygiene, spirituality and well-being.

A place for many purposes: Promoting Nepal as a destination of purpose for a wide range of activities including pilgrimage tours, mountain expeditions, adventure tourism, spiritual and holistic learning, and the Buddhist circuit, along with documentary and film-making.

Responsible business practices: Create ethical, environmental, eco-friendly business practices. Preferences are now given, and should

be given, to such sustainable business houses by guests and customers.

Promote domestic and local tourism: Local and regional travellers should be encouraged to explore Nepal. This can be for leisure, adventure or educational tours, and to experience unique festivities. As such we should push for a two-day weekend for all working professionals.

Cooperation and collaborating with India

(travel bubbles - air and land): Encourage travellers to visit both India and Nepal in one trip as they provide a symbiotic experience. This practice exists but needs to be enhanced.

Social Media and Influencer Marketing: Additional marketing of businesses can take place through the internet and other online platforms, especially to reach a younger and wider customer base.

Local and regional travellers should be encouraged to explore Nepal. This can be for leisure, adventure or educational tours, and to experience unique festivities. As such we should push for a two-day weekend for all working professionals.

Om Bahadur Rajbhandary

Executive Chairman, Brihat Investments



Because of Covid 19 in the past two years, consumers and companies have explored many digital platforms to sell and buy products. This trend will increase in the coming days and the market will gradually become cashless.

E-commerce will continue to strengthen:

Because of Covid 19 in the past two years, consumers and companies have explored many digital platforms to sell and buy products. This trend will increase in the coming days and the market will gradually become cashless. Transactions will be done more using digital payment methods instead of using cash.

Influencer marketing:

In Nepal, celebrities, business people, entrepreneurs and other famous people are Influencer Marketers. They ensure that others who follow them or consider them as a focal point can be taken advantage of in decision making.

Referrals and Discounts:

With referral marketing, your existing customers and brand advocates promote your products. As its name suggests, referral marketing involves somebody referring a product or service they like to their friends and family. It works because consumers trust the opinions of real people far more than they do those of the brands themselves. In return companies also offer the best service to the consumers

Customer education:

Customer education is constantly evolving. They are educated these days because of the survey and research they do while purchasing any product. Companies should constantly look for ways to improve their products. Frequently asking for feedback is one of the easiest ways to improve your customer education strategy. By asking for feedback at regular intervals and keeping the door open, you can make continuous improvements.

Improve content:

As per our experience the marketing material posting should be posted according to the trend. They should be able to create and deliver consistent content to customers. Doing so will help you deliver an optimised strategy to your customers.

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KONA

“It is my deep conviction that when people at the local level are given the opportunity to decide on their own affairs and when the local administration is more professional and effective then it is not only good for the country but the entire region. The moment we have more people participating at the grassroots level on decisions that are directly concerning them, it fosters democracy”



Dr Carsten Klein

Head, Friedrich Naumann
Foundation for Freedom
Regional Office South Asia

Dr Carsten Klein, Head of the Regional Office South Asia of Friedrich Naumann Foundation for Freedom, who is based in New Delhi, was in Kathmandu recently. During his stay, **Business 360** had the opportunity to meet Dr Klein and speak to him about various aspects of governance, development, markets, and his work experiences.

Though the FNF does not have any representative office in Nepal, it is involved in

various activities in the country through its Nepali partner Samriddhi Foundation. Dr Klein, who has been a liberal throughout his life, has also served in the Bundestag, the German federal parliament, as an advisor for foreign and security policies. He was also an elected representative of the Bundestag.

It is through his experience as an elected representative of the parliament that Dr Klein says he has derived his deep

understanding and sympathy for municipal affairs.

Dr Klein has additionally spent nearly 20 years as the Managing Director of two regional parliaments of the federal states of Saxony-Anhalt and Thuringia.

He says that his greatest joy and interest in the democratisation process of Nepal is the emphasis being laid on the municipalities in the recent federal structure of governance that the country

has adopted. Excerpts of an interview with Dr Klein:

What was the first impression when you came to Nepal?

The first thing that struck me during my stay, even though it is a short one, is the spirit of the society, of the people to be precise. I could literally feel the energy among the people and it is not the normal type of spirit. The people here are free thinking, inspiring, and also aspiring to learn and experience

new things which is amazing. I know there are still many challenges that the people have to face but with all the positivity that I have witnessed it is not a question of 'if' but only 'when' people will be able to overcome those hurdles.

The other aspect that I liked is the emphasis being laid on the local level governments because I believe that without the involvement of people at the grassroot level we cannot have a properly functioning democracy. It is my deep conviction that when people at the local level are given the opportunity to decide on their own affairs and when the local administration is more professional and effective then it is not only good for the country but the entire region. The moment we have more people participating at the grassroots level on decisions that are directly concerning them, it fosters democracy. I am only speaking through the several years of experience that I have gathered and from observing things in other countries. So, yes this importance being given to municipalities in Nepal I would say is a very good first step for many better things to come.

With your vast experience in the German Bundestag how would you suggest the country move ahead with the federal structure of governance in Nepal?

I must be honest when I say that I haven't had the opportunity to dive deep into the administration structure of Nepal, especially the municipalities. However, professionalism and trained skills are very important at that level and it is for all concerned authorities like the mayors and other elected representatives. They should all know what their roles exactly are. Even the civil servants working at that level must be adept because they are the ones who are in permanent contact with the people. They should all be trained in a professional and sophisticated style. As a representative of FNF, I would like to foster that aspect so that we can have a more positive impact on good governance.

What I would like to suggest the people is that they should be aware of their rights. They should be informed about what the administration has to do for them and also the things it cannot do. We must realise that we can't always expect everything from the state. Having said that, I would like to stress that the lower-level administration should always be able and motivated to help the people by building schools, infrastructure and health facilities. The civil servants must always try to obtain new skills so that they are able to serve people in a better manner. It would be great if we could work on the concept of town halls where people could be invited for meetings. People need to be inspired to attend such meetings and be involved in the political system as it is their system. They should know and feel they are a part of the system. Personally, I would want to see the first roots of the federal structure in Nepal grow in that direction as it is very important for a good democratic process.

What is the way forward for a sustained development process?

I am not the government and not in a position to advise but what is clear to see is Nepal is a country of tremendous potential. One really big potential is nature, which can be viewed in different perspectives. From the mountains to the terai and the jungles and rivers, Nepal has so much to offer hence an eco-related clever tourism would be a very good first step. However, you need a trained professional tourism structure. And of course, since tourism means getting people from Point A to Point B you also need good means of transport. Building a decent infrastructure like roads I would say is the need of the hour to enable the movement of tourists, to give them a chance to travel and see the various natural landscapes that the country has. There are many natural and historical sites in Nepal but travellers must have access to them.

What you also need to

understand is when I talk about tourism I am not focusing on quantity alone but quality too. Also, I am not talking about extremely rich tourists only but of those who would like to explore the natural resources of Nepal. I know Nepal is doing a lot to protect its nature and resources, which is laudable because at the end of the day tourism is all about people feeling good. When tourists come here, they should come with a belief and understanding that they are not visiting just any other country but Nepal, where there is so much to learn from the people.

Like I mentioned earlier, nature can be viewed in different ways and by this I mean you also have plenty of sun and water. These are natural resources found in abundance that are sources for renewable energy but that demands investment and expertise. At the moment the entire world is in discussion regarding how to preserve the environment and the core aim of the Sustainable Development Goals (SDGs) is to maintain and protect the environment and how natural resources can be utilised in a clever way. So, this is one area that could be further developed for sustained progress. And it would be great if not only the Nepali government but the development partners too put more emphasis on harnessing these natural resources.

Is there any particular area that the German government could and will provide assistance to Nepal?

We now have a new parliament and a newly elected government in Germany and I can only say that Asia in general and South Asia in particular is the focus in the coalition. The region has become a central area of interest and mentioned in several places in the coalition contract. I am not the government but what I could suggest is we should try to enable people to meet at an individual level. There is a very strong Nepali society in Germany which has been taking a lot of initiatives. The

society has been enabling students, academia, media and researchers to interact with each other. My advice to the new German government and also my personal wish is to nosedive into the Nepali society in a more intensive manner, and see and learn on what could be done at different levels of interest for people to meet and interact. As a liberal, I would say it is important to have parliamentarians and stakeholders together and also the common people like school or university partnerships. It is important because Nepal may be defined as a small nation but in the European context it is a big country. The population here is 30 million which is about the size of Switzerland and Austria put together.

With the enormous growth and vision that people have here I feel they must be supported at an individual level, especially the economic efforts that people undertake. Through our partner, Samriddhi Foundation, we have got to know there are many people who are doing very nice things to earn a livelihood, especially women. I have seen many women who are willing to contribute something to the family budget and they invest a lot of personal energy to do something. As a foundation we have been supporting many small and medium scale entrepreneurs and now we could look at the digital marketplace. If these entrepreneurs can interact and present their products on the internet then they will be able to reach out to more international customers.

While framing policies related to a country like Nepal, does Germany look at the country individually or in tandem with the region?

Well, to a certain extent Nepal is seen within its neighbourhood. I mean you can never change the geographical situation of the country. I think at the multilateral level like in the United Nations or during interactions between Nepal and the European Union, there might be some very good ideas coming from the Nepali side.



So, this requires the other side to look into what particularly is Nepal doing. Due to the geography like I mentioned earlier it is like being in a room with two big elephants, hence there is always a compromise of sorts. However, there are still many things to be done in Nepal and I feel more interaction at the multilateral level is the need of the hour.

There are many platforms and forums where discussions related to free movement of goods are held. What are your thoughts on free movement of labour?

I am not in a position to assess and give advice to the individual governmental partners and stakeholders regarding this issue. But you see I could only say we come from a bad historical situation during

World War II where Germany especially and our grandfathers, some of them at least, did a very bad thing. However, that chapter is closed now and it was possible due to European integration. And when we talk about integration it basically means people are allowed to travel and meet each other freely.

At the foundation we always do all of our initiatives on a pan South Asia level. We invite stakeholders and interesting actors of the concerned field whether it be education or good governance to bring in their perspective which necessarily does not have to be the same as that of the neighbouring countries. So, I could only recommend that one mission for the region should be to open more spaces especially for

individuals to interact and learn from each other. When people meet, we are actually bridging the frontiers. There are so many families whose members are scattered across the world so we should make it easy for them to meet each other. I think that is the only way to raise a common understanding and to avoid potential further conflict.

The GIZ, which has been active in Nepal since 1974 and is a crucial development partner, is gradually phasing out its operations. How do you view this?

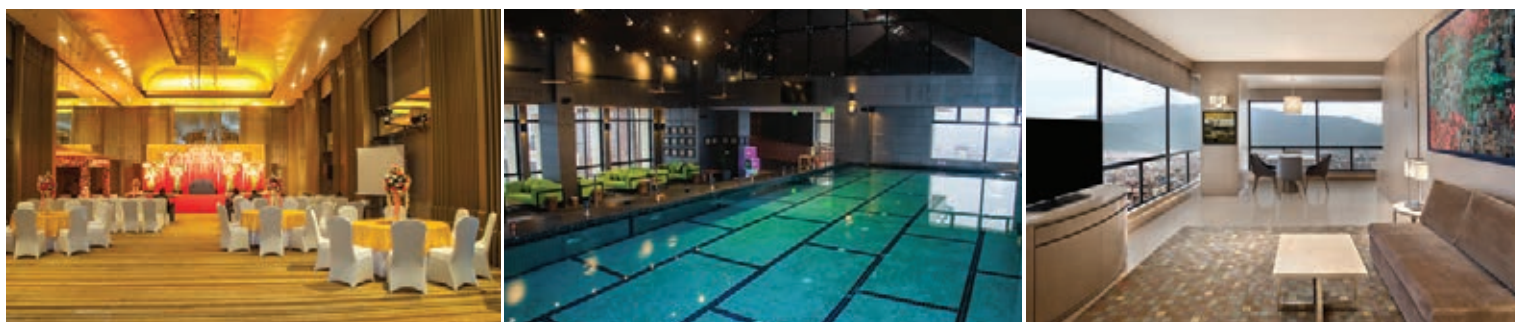
I am very sad that the GIZ is phasing out its operations in Nepal. The decision to do so was taken by the development ministry of Germany. I highly criticised that from my personal point of view. Looking at the country and

realising how essential the GIZ is in the region I would really like to have this extremely interesting and relevant work to be continued. I have had the opportunity to see some of the projects that GIZ has been doing here and it has been doing a lot in the field of federalism, good governance and fostering good relations and economic issues.

Looking at all that work I feel it would be good if these valuable works could be continued. I must add that these works are not related to big organisations but at the grassroots level and people at this level are the core of everything. We must give them a chance to see and learn from each other. It is important for everyone to understand that joint learning is what is needed. Even a language centre like Goethe-Zentrum has a vital role to play because when people come to learn the language there is also an exchange of culture. There is an exchange of ideas. When people start interacting and sharing ideas it also lessens the friction that could have existed between them.

What economic model would you consider best for Nepal to adopt?

Like I mentioned earlier, people have a lot of energy in Nepal. The only thing I wish is for more younger people and students to strive to do their own business. I did meet some people on the streets and was fascinated that many of them have jobs but are also doing their own business. It may be small but I saw many had their own businesses and that is always an encouraging thing to see. I think it is always good to set a framework for a liberal market policy, both within the country and the greater region. In Germany too we have a lot of exchange of goods and services with our neighbouring countries. It is another good way of bringing people together. The best model for a good economy I believe is the free market economy. **B**



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GOVERNMENT AMBIGUITY KNOCKS FRAGILE ECONOMIC RECOVERY **OFF TRACK**

Text: Pushpa Raj Acharya

In the first week of December 2021, Nepal signed a deal with the International Monetary Fund (IMF) to avail extended credit facility (ECF) of \$400 million for three years as the country started reeling under alarming balance of payments (BoP) deficit due to skyrocketing imports. As compared to the corresponding period of the previous fiscal year, imports have surged by 61.6% in the first quadrimester of this fiscal to Rs 650.29 billion.

"Nepal's gross foreign exchange reserve will cover only 7.2 months of imports, which is a pessimistic scenario for a country like Nepal which lacks stable source of foreign exchange earnings," says Nara Bahadur Thapa, former Executive Director of the Research Department of Nepal Rastra Bank. "Countries like Nepal must maintain foreign exchange reserves to cover at least eight months of import of goods and services."

Inflow of remittance and foreign assistance have plummeted since the beginning of this fiscal, which has put pressure on the country's foreign exchange reserves. Remittance, which plays a key role in lubricating economic activities and backing imports, went down by 7.8% to \$2.62 billion in the first quadrimester as compared to the same period of the previous fiscal year.

In July 2019, Nepal had foreign exchange reserves that were sufficient to cover only 7.4 months of imports, however the problem could escalate this year due to plummeting remittance, foreign assistance,



and prolonged backlash of Covid 19 pandemic in the tourism sector which is one of the major sectors for foreign exchange earnings.

The government has initiated some patch-work policy arrangements to address the dire situation as there is no hope that the reimbursement of foreign assistance will help improve the BoP situation in the immediate future.

Nepal Rastra Bank has curtailed the import of certain goods deemed luxury by the government by issuing a provision of cent per cent of cash margin to open letter of credit (LC). These are on the import of alcohol, various cosmetic items, wigs/eyebrows, furniture, sugar, panela/palm sugar, honey, bubble gum, all kinds of drinks, cloves, umbrella and sticks, marble and tile, construction materials, bottles (made of glass and metal), silver and silver powder, chairs, cages and playing cards.

Similarly, 50% cash margin is required for the import of automobiles, auto-rickshaws, ambulances and hearse vans, etc.

On a similar vein, Nepal had obtained rapid credit facility (RCF) from the IMF in

fiscal 2009-10 to handle the BoP crisis and also curbed the import of some products, including gold. However, after the BoP crisis of fiscal 2009-10, the country has not faced BoP deficit of that magnitude in the last decade.

Back then, remittances plummeted due to the adverse impact of the global financial crisis in Gulf countries and Malaysia, the major labour destinations, and rampant import of gold and other commodities dented the foreign exchange reserves.

BoP despite the current account deficit started widening from the beginning of this fiscal when imports surged drastically as life started to return to some form of normalcy.

A country's BoP reflects the overall position of current account, capital account and financial account. The current account records the flow of goods and services in and out of a country, including tangible goods, service fees, tourism receipts, and money sent directly to other countries either as aid or to families. Financial account measures the increase or decrease in international ownership assets that a country is associated with, while capital

account measures the capital expenditures and overall income (foreign investment, foreign loan/grant, investment of commercial banks in foreign countries in foreign currency) and the foreign currency loans availed by the private sector of the country. There could be longer term liability in capital account as it deals with foreign loans and investment as well.

The current account deficit surged exponentially to Rs 223.19 billion in the first quadrimester of this fiscal against a surplus of Rs 19.01 billion in the corresponding period of the previous fiscal. Similarly, BoP deficit escalated to Rs 150.38 billion in the review period as compared to Rs 110.65 billion surplus of the previous fiscal, according to Nepal Rastra Bank.

The underlying drivers for the huge BoP and current account deficit are the skyrocketing imports, continued backlash of the pandemic on the tourism sector, negative growth of remittances and low disbursement of foreign aid. The country witnessed a deficit of Rs 31.19 billion in service trade in the first quadrimester of this fiscal. Such deficit surged by 78% as compared to the corresponding period of the last fiscal year. Nepal had been enjoying surplus status in service trade since long despite a huge deficit in goods trade in the past, however it has been gradually losing its strength in service trade in recent years, according to the central bank.

Bhuvan Kumar Dahal, outgoing CEO of Sanima Bank and former President of Nepal Bankers Association (NBA), shares that decline

in remittances is a common phenomenon when imports surge heavily. It is believed that traders use illegal means like hundi/hawala to settle the payment of imports that are largely under-invoiced in import bills.

“We had anticipated that remittances could plunge during the pandemic, however, ironically we witnessed an encouraging growth of remittances as imports plummeted due to the worsening situation caused by the pandemic,” says Dahal. “Imports started to surge exponentially after the situation eased and remittances inflow started declining simultaneously. It is believed that the traders present underinvoiced import bills of lavish products (in which the customs slap high duty) and settle payments through illegal means like hundi. Otherwise, there is no reason behind the decline in remittances,” he states.

There is an interesting trend in Nepal that remittances decline when the stock market rallies. Stock investors encourage their kids living in foreign countries to buy property (in foreign countries) from their windfall gains in the stock market and the money goes through hundi because the country doesn't allow taking away money officially to purchase home/land or embrace entrepreneurship in foreign countries.

Increased public debt narrows fiscal space

According to the Ministry of Finance (MoF), which deals with foreign assistance – both loans and grants, has said that foreign assistance commitment has declined substantially. According to the International Economic Cooperation Coordination Division (IECCD) of the MoF, foreign aid commitment has declined by 34.5% to stand at Rs 55.94 billion in the first quarter of this fiscal as compared to Rs 85.39 billion in the corresponding period of the previous fiscal.

The portion of grants is nominal in this fiscal.

Foreign assistance commitment (sector wise) in Rs million

Sector	Grant	Loan	Total	Percentage (%)
Education	1876.2	12929.5	14805.7	26.5
Drinking water & sanitation	596.6	0.00	596.6	1.1
Agriculture	0.00	11622.7	11622.7	20.8
Covid response	0.00	19697.7	19697.7	35.2
Health	0.00	5879.5	5879.5	10.5
Forest and Environment	3339.4	0.00	3339.4	6
Total	5812.1	50129.4	55941.5	100

(Source: MoF)

As per MoF, of the total commitment worth Rs 55.94 billion, only Rs 5.81 billion is grant and Rs 50.13 will be availed as loans. Foreign assistance from the three major donors covers almost 91% of the aforementioned resource commitment; namely Asian Development Bank (36.3%), World Bank (33.6%) and International Fund for Agricultural Development (20.8%).

Keshav Acharya, former advisor to the MoF, says that even developed and developing countries are in a dire need of resources due to increased liabilities caused by the Covid 19 pandemic. There is fierce competition among countries to avail resources to address socio-economic challenges that have emerged due to the pandemic. Most of the development aid commitment is focused on coping with the challenges caused by the Covid 19 pandemic.

Federalism: Costly affair

Nepal's public debt has increased exponentially in the last four years along with the rise in resource demand in the new administrative setup of the country. Three layers of the government have been formed in the federal setup along with work division (functions) fund for the functionaries has been arranged.

The MoF has said that the country's debt to GDP (gross

domestic product) ratio is 40.5% or the country's public debt was equivalent to 40.5% of the GDP till last fiscal 2020-21. “Increasing debt has narrowed down the fiscal space,” states senior economist Dilli Raj Khanal, “Mobilisation of such resources (debt) must be tied hand in hand with quality infrastructure, asset creation, productivity enhancement as well as employment. However, the country is laggard in growth despite mobilisation of a large chunk of debt that simply shows greater degree of inefficiency in resource mobilisation.”

Government's capital expenditure is merely 7% in the first five months of the current fiscal. The government has earmarked Rs 439.65 billion under development budget heading, however, less than Rs 30 billion has been spent by mid-December. Development projects have slowed to a crawl this year as compared to the two previous consequent fiscal years despite the pandemic hitting the country hard during that time.

Slow development expenses have had an adverse effect on money supply in the market, and banks and financial institutions have been facing liquidity crunch. Suppliers of construction materials have been affected with demand shocks. It is obvious that the government should prioritise the creation

of more jobs through massive infrastructure development activities in the aftermath of the pandemic. However, the government has failed to do so. The Replacement Act has envisioned to spend 10% of the capital budget in the first quarter of the fiscal and 10% in each month for a whole year to achieve the desired goal.

The MoF recently introduced a patch-work policy that allows commercial banks to issue loans in the productive sector against 80% of the consolidated fund that belongs to the local governments. However, experts have said that this is only a temporary remedy. The government must expedite capital expenditure that will automatically address the problem of liquidity crunch and resources (loans) will be easily available for the private sector to conduct business activities. “Government expenses and uninterrupted business activities from the private sector are key to spur growth and address the current challenges of unemployment and underemployment,” reiterates Dahal. “The policy introduced by the central bank to curb imports could lower illegal means of resource embezzlement like hundi and increase in remittances will increase the deposits in banks and financial institutions. This will help the private sector to easily avail loans and interest rate on credit will also go down along with increased deposits.” Otherwise, the import-led growth model will push the country into the vicious cycle of BoP deficit, liquidity crunch and pressure on foreign exchange reserves. The country must come out from this trap and promote production-led economy and pay due attention to efficient or output oriented use of resources. ” **B**

Title	2016-17	2017-18	2018-19	2019-20	2020-21
Foreign loan in Rs million	413,979	526,154	594,926	806,141	928117.7
Domestic debt	283,711	391,162	453,231	613,735	800320.1
Total public debt	697,689	917,316	1,048,157	1,419,876	1728437.8

(Source: MoF)

WHY THE BASTARDISATION OF THE SCIENTIFIC METHOD IS SO DANGEROUS

When married to power, an exaltation of science can have disastrous effects.



MIKE ROBERTS IS A PROCESS ENGINEER AT INTEL WITH A BACHELOR'S IN CHEMICAL ENGINEERING AND A MASTER'S IN MECHANICAL ENGINEERING. HE IS ALSO A LIFE-LONG ADVOCATE OF FREE MARKETS AND FREE IDEAS.

Over the past half decade, there has been a growing trend signalling a shift in the perceived and accepted role of science. It is not uncommon to see slogans and mottos such as 'the science is settled' and

'believe in science'.

Statements like this present two major problems: first, science is determined to be final and indisputable; second, it is accompanied by a value or moral judgement. For example, scientific studies indicate that wearing a helmet can reduce head injury by 48%, serious head injury by 60%, traumatic brain injury by 53%, (and) face injury by 23%.

While it takes little effort to align with science on such a matter, I intend to demonstrate that an application of the first behaviour is contradictory to the foundation of science and the second lies entirely outside its purview.

To establish common ground, we begin by reviewing the merits and fundamentals of the scientific method. First, an observation is made, followed by a question regarding the observation. A hypothesis is then formed that could potentially answer the question. A prediction about future results based on the hypothesis is then tested via experiments. Analysis of the results of the experiments are utilised to confirm or reject the hypothesis. If the results seem to demonstrate that the hypothesis is correct, then confidence begins to build in the predictive power of the hypothesis and its ability to describe the real world. If the results seem to



demonstrate that the hypothesis is incorrect, then the scientific method loops back on itself and the hypothesis is challenged, refined, modified, or discarded. The process is rigorous, thorough, and exacting. It is also deeply empirical, meaning it relies on information from the real world; it can only extract data from things that have already happened. In its most basic form, this process is what constitutes 'science' as commonly referred to in media and conversation.

With common ground established, the first major problem can be addressed. It is, ironically, anti-science to ever declare that science is settled. There are a few characteristics of the scientific method that substantiate this claim. Since the scientific method is based on empirical data in relation to a hypothesis, it is reliant on the senses and perceived experiences. This means it is wholly dependent on the past. Science cannot properly predict the future; it can only model what has happened and make a reasonable projection about what could happen. Scientific law hangs on statistical probability.

In addition, since man is not omniscient, the future will forever remain unknown. As man continues to explore the physical world, there always exists the possibility

4 Science is, however, utterly unable to tell us what is right or wrong. There is nothing naturally occurring within the scientific method that empowers it to make value judgements or moral decisions. It cannot tell us what is good, bad, better, or worse. In essence, science is never able to say 'should' or 'must'.

that enough data will accumulate to falsify, or at least cast into doubt, a well-established scientific conclusion. Because of these conditions, statements declaring the science to be settled are altogether unscientific: they reject the core principles and practices of the scientific method and the nature of human experience. Such conditions expose the ridiculousness of any insinuation that science is settled. Strictly speaking, science is unable to ever be settled. Imagine the carnage if scientists around the world had retired their lab coats and accepted the alleged 'clinical proof' that certain cigarettes were not actually harmful or medically superior to other brands. Fortunately, continued use of the scientific method has built a compelling counterargument that cigarettes are in fact very detrimental to the body.

The second major problem may have more perilous implications when thoroughly examined. In the preceding discussion, it is clearly shown that science is only able to approach statistical truth based on empirical evidence. Science is, however, utterly unable to tell us what is right or wrong. There is nothing naturally occurring within the scientific method that empowers it to make value judgements or

moral decisions. It cannot tell us what is good, bad, better, or worse. In essence, science is never able to say 'should' or 'must'. To return to our previous example, science may conclude that wearing a helmet prevents head injuries in motorbike accidents, but it is powerless to dictate that motorists should wear helmets. To do so is to make a value judgement that can only be made by individuals.

Wearing a helmet is only prescriptive if the individual motorist values the possibility of preventing a cracked skull more than riding freely in the wind. Knowing the risks and being informed by science, most motorists would likely choose to wear a helmet, but science is unable to tell them that is the choice of highest value, since individuals have different, and differing, value systems. In regards to science, what is right is dependent on the precise ends desired by individual actors and their values.

As Austrian economist Ludwig von Mises stated, "There is no use in arguing about the adequacy of ethical precepts.... Ultimate ends are chosen by the individual's judgements of value. They cannot be determined by scientific inquiry and logical reasoning."

Allowing science to make universal value judgements also enables it to define morality. An

example of this can be found in the debates surrounding abortion law. Science can tell us when a heartbeat begins, how developed a baby is in the first, second, and third trimester, and even the sex of the baby. But again, it is absolutely powerless to tell us whether it is or is not moral to abort the baby. Such an evaluation would rest on the value judgements and moral code of the individual.

The issue, then, with slogans like 'believe in science' is the tendency to conflate science with morality and value. When science is wielded to make laws, it is most often done with a moral code attached. It has been shown that science is not able to do this, so the only way science can be used to make law is for someone, some real person or persons somewhere, to draw a moral conclusion based on the science. This personal, individual moral conclusion is then applied wholesale upon all that the law will reach. It is for this reason that science should never be used as a justification in any government action to enforce moral systems.

Doing so results in the morals and values of the few being imposed upon the many. But it is only individuals who can make decisions about what they will do in regard to any scientific consensus. FA Hayek put this neatly when he said that 'individuals should be allowed ... to follow their own

4 The results of any scientific study require interpretation, and any interpretation is necessarily subjective. The interpretation of results may go on to inform value judgements and moral codes. But if science moves into a space where its conclusions can never be challenged and it also determines morality, then it suddenly ceases to exhibit characteristics of science and has assumed characteristics of religion.

values and preferences rather than somebody else's'.

The results of any scientific study require interpretation, and any interpretation is necessarily subjective. The interpretation of results may go on to inform value judgements and moral codes. But if science moves into a space where its conclusions can never be challenged and it also determines morality, then it suddenly ceases to exhibit characteristics of science and has assumed characteristics of religion.

When conveniently married to power, an exaltation of science to this status can have disastrous effects, as evidenced by the acts committed by the Third Reich and other totalitarian regimes.

"Science cannot lie, for it's always striving, according to the momentary state of knowledge, to deduce what is true," Hitler famously asserted.

The further scientists drift from the scientific method to tell people what they should do, the more they undermine science and increase the potential to restrict choice, destroy human liberty, and harm real people.

It should always be remembered that while science can tell us that a phone will carry our voices through the air, it will never be able to tell us what should be said. **B**

Source: fee.org

WWW.



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



“Challenges do not come announced. As an entrepreneur, one must be prepared for anything”



Rabin Shrestha
Founder, Lord of Drinks (LOD)

Imagine travelling to various parts of the world, exploring every club, getting ideas, and then opening one in your country to give a thrilling experience to all party lovers. Rabin Shrestha did exactly that by establishing Lord of Drinks (LOD) and introducing a new era of clubbing in Nepal. And it all began with his own love for partying, socialising and also running a club named Karma back in 2016 that gave him the impetus to open a club on a much bigger scale.

Understanding the competition and knowing that the crowds were ready for something different, Shrestha wanted to focus on the design, concept and the ambience to ensure it would not just be the talk of the town but would deliver on the experiential level. He says, “The most loved

concept of the club has to be its design because at any event or when any of our DJs are performing on stage, they can be seen from all corners.”

Why the name? The name LOD is very catchy and Shrestha believes that reflects the true essence of the club. Given the magnitude and the size, there could be nothing diminutive about the club, including its name. “We brainstormed a lot and when the concept of LOD popped up, everyone absolutely loved the name,” recalls Shrestha. Located in the heart of Thamel, LOD is renowned for its clubbing scene and attracts thousands of domestic and international party lovers.

LOD was founded in February 2019. However, the journey of opening and sustaining came with a

huge set of responsibilities, especially operating in the current pandemic scenario. “From pleasing the customers to providing a safe and secure environment, every aspect became critical to its successful running,” shares Shrestha. However, he is an optimist and prefers to view the challenges not as problems to overcome but opportunities to learn and grow from.

“The pandemic has been one of the biggest obstacles we have faced since starting the club,” states Shrestha, adding the Covid 19 has affected almost every person and business in one way or another. LOD was closed for almost 18 months. “The 18-month-long closure of the club was a big loss. For now, we are trying our best to get the club back on track. We know that the

pandemic is not yet over, but one must learn to live and adjust with the times. After all, challenges do not come announced. As an entrepreneur, one must be prepared for anything.”

Over the last three years, LOD has experienced one of the biggest crowds in K-town’s clubbing history. Young enthusiastic youngsters over 18, different corporates and party goers are the target clientele. Marketing the club, Shrestha relies on social media and word of mouth reference.

He says, “Innovation is important, new ideas and planning are equally important. Hence, we are trying to come up with various world-class events and also expanding the venture outside of Kathmandu.” **B**



सबको विश्ववास बढ़ाए



beed's take on the market

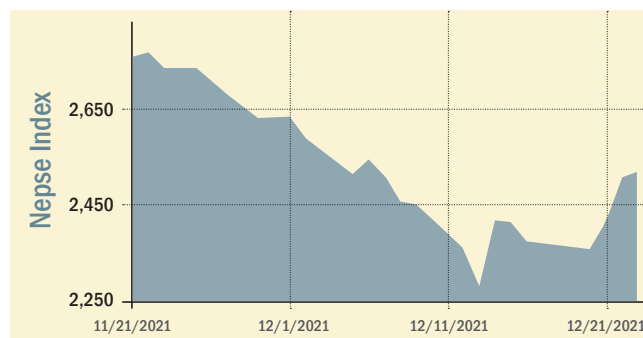
The Nepal Stock Exchange (NEPSE) index dropped considerably by 248.90 points (-8.99%) to close at 2,520.23 points during the review period of November 21 to December 23, 2021. Since Nepal Rastra Bank (NRB) introduced a few measures via the Monetary Policy of the current fiscal year, the secondary market has been on a downward trend. Further, lack of improvement on the ongoing liquidity crunch and increasing interest rates in the banking system have been major factors behind the fall in the index. Nonetheless, the market witnessed a steady recovery after closing at 2,281.67 points on December 13, the lowest decline in recent trading days. Although the index has climbed over the psychological 2,400-mark hurdle indicating a short-term recovery, the secondary market is yet to witness a notable momentum. With this, the overall volume during the review period decreased notably by 13.68%, and reached Rs 86.619 billion.

During the review period, contrary to the previous review period, all of the sub-indices landed in the red zone. Development Bank sub-index (-19.73%) was the biggest loser as the share value of Muktinath Development (-Rs 216.9),

Lumbini Development (-Rs 193) and Mahalaxmi Development (-Rs 168) decreased substantially. The Finance sub-index (-18.78%) was second in line with a fall in the share value of ICFC Finance (-Rs 300.2), Goodwill Finance (-Rs 206) and Manjushree Finance (-Rs 197). Life Insurance sub-index (-11.91%) also witnessed decrease in the share price of Prime Life Insurance (-Rs 249.2), Asian Life Insurance (-Rs 205) and Nepal Life Insurance (-Rs 180). Hydropower sub-index (-11.04%) followed suit with a fall in the share price of Ngadi Group Power (-Rs 133), Nepal Hydro Developers (-Rs 115.5) and Radhi Bidhyut Company (-Rs 106.4).

Non-life Insurance sub-index (-10.58%) depreciated as share value of Rastriya Beema Company (-Rs 2,710), Lumbini General Insurance (-Rs 129) and Premier Insurance (-Rs 128.7) went down. Similarly, Hotels and Tourism (-10.51%) witnessed a reduction in the share prices of Soaltee Hotel (-Rs 30.2), Oriental Hotels (-Rs 20) and Taragaon Regency (-Rs 1). Microfinance sub-index (-10.26%) also substantially declined with a fall in the share value of Global IME Microfinance (-Rs 628), Support

Figure 1 NEPSE Index during the review period
(Nov 21 to Dec 23, 2021)



Source: Nepal Stock Exchange Ltd.

Microfinance (-Rs 620.3) and National Microfinance (-Rs 594).

The Others sub-index (-7.31%) decreased as share value of Citizen Investment Trust (-Rs 330.1) and Nepal Telecom (-Rs 103) fell. Commercial Bank sub-index (-6.13%) witnessed a fall in the share price of Prime Commercial Bank (-Rs 122.2), Nepal Bank (-Rs 100) and NIC Asia Bank (-Rs 94). Likewise, Manufacturing & Processing sub-index (-0.52%) decreased marginally with fall in share value of Shivam Cements (-Rs 12) and Himalayan Distillery (-Rs 10).

News and Highlights

NEPSE has decided to distribute dividends to its shareholders from the previous fiscal year's profits. The exchange has declared 166.67% dividend, which includes 66.67% bonus shares of paid-up capital and 100% cash dividend (tax purpose). To distribute the dividend, NEPSE will endorse it in the upcoming general meeting on January 13, 2022.

On the public issue front, SEBON has added the IPOs of three hydropower companies to its pipeline. It includes Supermai Hydropower worth Rs 100 million, Sanjen Hydropower worth Rs 365 million and Eastern

Hydropower worth Rs 124 million. Sanima Capital, Citizen Investment Trust and NM Capital have been appointed as the issue managers for the three hydropower companies respectively.

Likewise, SEBON has approved the right shares of Chhanyngdi Hydropower (10:3 ratio) worth Rs 89.3 million and Corporate Development Bank (1:1.50 ratio) worth Rs 300 million. Global IME Capital and Civil Capital have been appointed as issue managers for the two respectively.

Outlook

Negative remarks about the market, along with restricted liquidity and increasing interest rates, have harmed investor confidence. Despite the circumstances, the market has exhibited indications of recovery as share prices of many companies are trading at attractive prices. Furthermore, market demand has improved as many companies are closing their books to pay out dividends from the previous fiscal year's earnings. **B**

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Table 1 Sub-indices during the review period
(Nov 21 to Dec 23, 2021)

	Nov 21st 2021	Dec 23rd, 2021	% Change
NEPSE Index	2,769.13	2,520.23	-8.99%
Sub-Indices			
Commercial Bank	1,828.73	1,716.62	-6.13%
Development Bank	5,442.90	4,368.82	-19.73%
Hydropower	3,193.10	2,840.61	-11.04%
Finance	2,655.02	2,156.33	-18.78%
Non-Life Insurance	12,415.22	11,101.76	-10.58%
Others	2,123.08	1,967.88	-7.31%
Hotels and Tourism	3,369.61	3,015.35	-10.51%
Microfinance	5,406.44	4,851.65	-10.26%
Life Insurance	15,117.08	13,315.57	-11.917%
Manufacturing & Processing	6,453.76	6,420.42	-0.52%

Source: Nepal Stock Exchange Ltd.

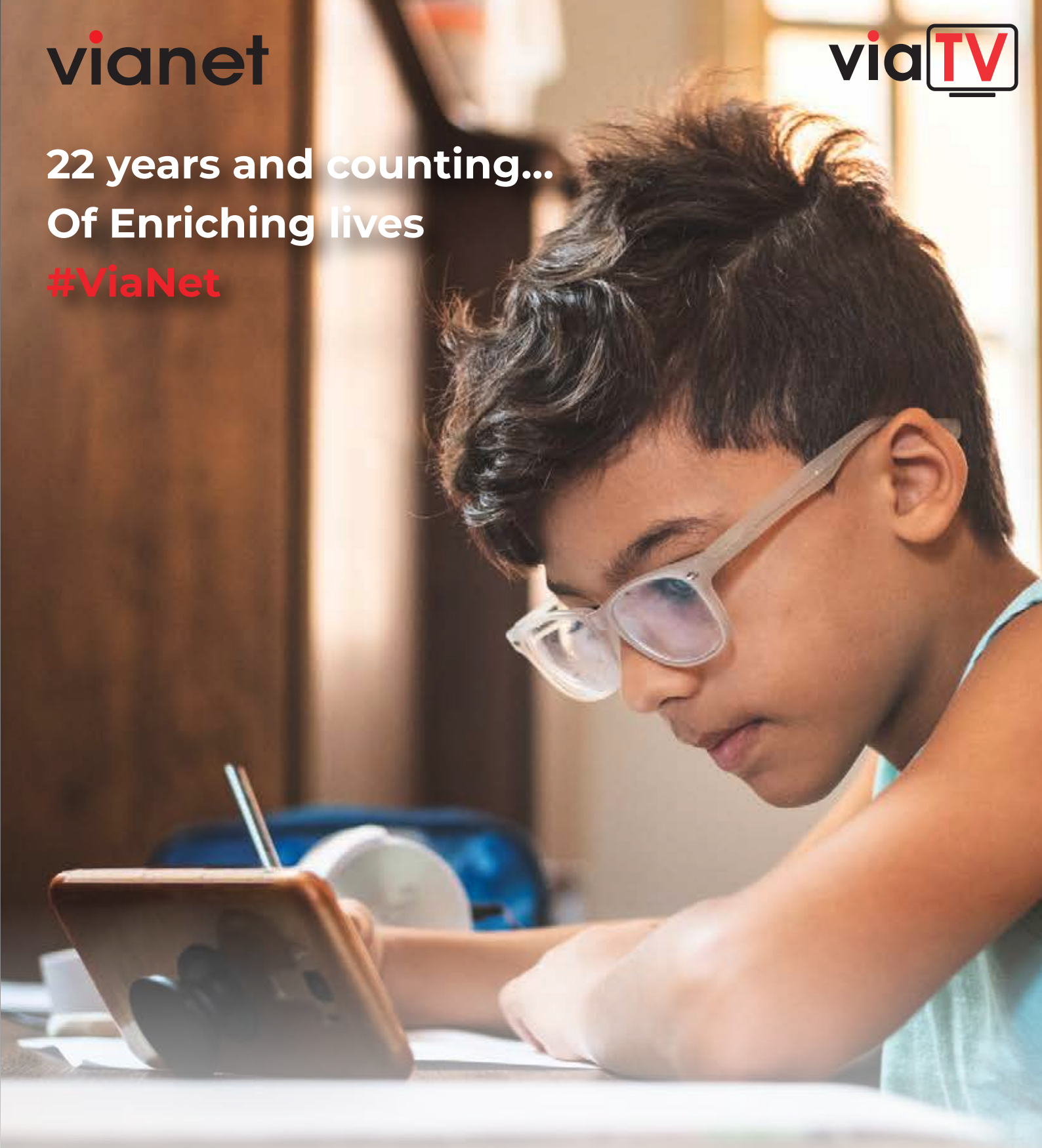
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Commodity Market Outlook 2022



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

When the end of the year is around the corner, we often look back at the year that has just passed by and speculate on what lies ahead. 2021 had brought new hope and aspirations but leaves us with many unprecedented challenges on various fronts. The pandemic is still not over and the accompanying economic and social repercussions still dawn upon us. Globally people have learned to live with the new order, and this paradigm shift still evolves as we enter 2022.

2021 was a year in which the commodities market did not fall away. The markets exceeded expectations and 2022 is all geared up to be another great year. With reference to the Bloomberg Commodity Index, the commodities are set to be the best-performing asset class of 2021 with the index up around 25%. The factors for the dramatic rise are the recovering demand following the pandemic, supply chain restrictions, government policy and adverse weather conditions. Market pundits anticipate an improvement in the supply chain thereby smoothening the imbalances in the demand and supply equation in the coming year. Likewise, the prices should remain lower from the current levels but remain above the long-term averages.

Precious Metals

After opening at \$1899.4 per ounce, gold prices remained within range hitting the highest price of \$1959.24 during January before sliding down to \$1676.66 per ounce in March. Although prices have dropped by 5% since the beginning of the year, 2021 has been coined as 'mixed' for gold traders. Silver, following the trend of gold, opened at \$26.36 per ounce for the year before retreating to settle at \$22.62 before the end of the year, at the time of this article. Platinum and palladium received bumper openings at the beginning of the year before diving into bearish territories in the latter half. The precious metals bracket is poised to remain within a range market in 2022. The prospect for tightening from central banks around the world along with an appreciating US dollar remains the major attribute for precious metals losing their shine in the ensuing year. One of the factors that could lead to a bullish run is if the major central banks reverse their current stance thereby accelerating the demand for alternative assets. Another potential catalyst would be further severe waves of the coronavirus.

Base Metals

The base metals bracket remained bullish for most parts of the year with copper leading the race. Copper started the year at \$3.5173 before reaching the highest price of \$4.8953 during May. Although the prices have slid since the prices have stayed on bullish grounds. The underlying inventories are low among various base metals while the sentiment for demand for the upcoming year is constructive due to growing investments in green projects which are metal intensive. Analysts are bullish on the base metals as the global economy recovers further from the global pandemic strengthening the demand for the metals.



Energy

Commodities in the energy basket were optimistic throughout the year with economies recovering from the devastating effect of the pandemic the preceding year. Having opened at \$48.40 per barrel, crude oil prices increased towards a seven-year high of \$85.40 per barrel. Natural gas prices also skyrocketed in the second half of 2021 reaching \$6.480 per MMBTU during October, the prices last witnessed in December 2008. As per market analysts, the oil markets are forecast to observe supply growth from non-OPEC nations and along with a further easing in the OPEC+ supply cuts push the global oil markets back into surplus. This should put a stranglehold on rising prices. Contrarily, worries over OPEC capacity and the broader lack of investment in upstream production could provide a ceiling to the market not too far below the current levels. In regard to natural gas prices, it is likely to remain tight through the winter months signalling that the markets could witness plenty of volatility. However, the end of the season could bring weaker prices given the fall in the demand. Likewise, the prices are bound to remain high provided the need to replenish inventory over the upcoming season.

Agro-Commodities

Given adverse weather conditions, agricultural commodities prices are

expected to ease but will remain above the long-term averages. Due to the weather hitting the crop productions of major producers, the wheat market traded to a multi-year high. If normal weather is assumed in 2022, wheat could observe a rise in supply which could bring the prices down. With the La Nina weather risks developing in Brazil, there is an obvious uncertainty for sugar and coffee in the next year. Already suffering from drought and frost damage, the magnitude of the impact for the next season will depend on the precipitation levels over the rainy season. This uncertainty will elevate the prices until the market has a better understanding of the next crop season.

Conclusion

The commodities market is on course for their best annual performance in 20 years with the energy markets driving the march forward. The low supplies coupled with the vigilant OPEC+ policies will support the prices in the upcoming year. However, changes are coming. The production levels in various commodities are increasing with each passing day and any economic slowdown, whether it is Covid-related or not, will weigh on the values of the commodities. A higher US dollar and further tightening in the various economies monetary policies will play a significant role. In a nutshell, the outlook looks positive! **B**



SPACIOUS ROOMS



EVENT SPACES



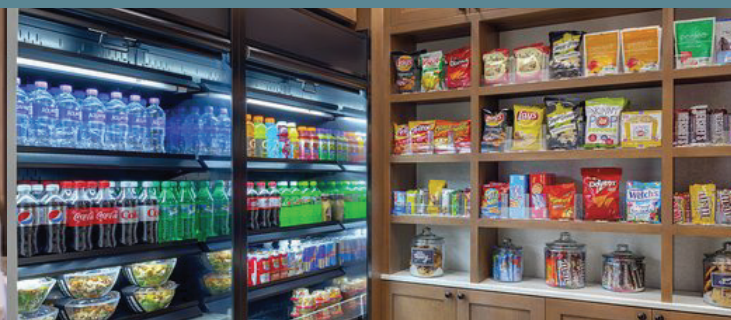
ZING-WORLD OF FLAVOURS



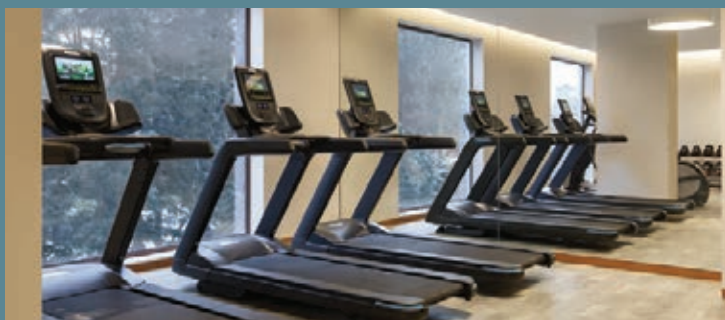
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Cryptocurrency

REGULATORY TRENDS AND CHALLENGES



Akshya Aryal is an Associate with Pioneer Law Associates and focuses his practice in the areas of Corporate Law, Taxation, Securities and Private Equity Law.

At a time when digital trading in Nepal is at an all-time high, it is not surprising that cryptocurrency has been one of the focal points of discussions and debate in the country. Bearing exponential returns and untaxed dividends, at a time when the economy's struggling owing to the pandemic, cryptocurrency piqued the interest of a large number of people. While the idea of a digital currency is a fascinating topic, and the financial returns seem incredibly lucrative, the fact still remains that in Nepal cryptocurrency is a relatively new concept and only very few individuals understand the underlying process and the governance surrounding it.

What is blockchain and why is it relevant?

One cannot understand cryptocurrency without understanding blockchain. Blockchain is a type of database which collects and stores information electronically. However, one key difference between a typical database and a blockchain is the way the data is structured. A blockchain collects information together in groups, also known as blocks, that hold sets of information. Blocks have certain storage capacities

and when filled are chained onto the previously filled block, forming a chain of data known as the 'blockchain'. All new information that follows that freshly added block is compiled into a newly formed block that will then also be added to the chain once filled. When a block is filled it is set in stone and becomes a part of this timeline. Each block in the chain is given an exact time stamp when it is added to the chain.

To hold this information, cryptos consist of thousands of computers, but each computer or group of computers that hold its blockchain is in a different geographic location and they are all operated by separate individuals or groups of people. These computers that make up the network are called nodes. In this manner, the blockchain is used in a decentralised way.

One of the major reasons as to why cryptocurrencies

are so widely popular is due to its transparent characteristic. By virtue of the decentralised nature of blockchain, all transactions can be transparently viewed by either having a personal node or by using blockchain explorers that allow anyone to see transactions occurring live. Each node has its own copy of the chain that gets updated as fresh blocks are confirmed and added. This means that one could track the movement of the cryptocurrency. If a cryptocurrency server were to be hacked, it would not be very effective. While the hacker may be entirely anonymous, the crypto units that they extracted would be easily traceable and if these hacks were to be moved or spent somewhere, it would be known.

Why is it challenging to regulate cryptocurrency?

The main idea behind

blockchain technology that underpins cryptocurrencies is that it involves no way to pinpoint a ledger's actual location. Another challenge faced by the regulators relates to data theft and financial frauds surrounding cryptocurrencies. Further, the blockchain's promise of anonymity, and its apparent freedom from regulations, can invite many users who are involved in illegal activities, including money laundering, to use cryptocurrencies for their financial transactions. Also, cryptocurrency technology's distributed peer-to-peer network architecture is widely considered to contradict the privacy law traditional notion of a centralised, controller-based data processing system.

Cryptocurrencies also attract tax complications. In many jurisdictions, cryptocurrencies are considered to be property





not currency. This distinction means that taxpayers cannot use cryptocurrency as a functional currency. Taxpayers must determine their cryptocurrencies' fair market value on each transaction date. As a result, properly reporting cryptocurrencies to the revenue authorities is burdensome for individual taxpayers because they must diligently record the price at which their cryptocurrencies were bought and sold. Individual investors are liable to pay capital gains taxes on any profits they realise via cryptocurrencies.

Regulation of cryptocurrency in Nepal

Nepal Rastra Bank declared cryptocurrencies such as bitcoin as illegal, on August 13, 2017. It directed

that no individual is permitted to participate in the trading, owning and transacting in cryptocurrency. On September 9, 2021, NRB issued a notice declaring that all activities related to cryptocurrencies are deemed illegal (transacting, trading or mining). Individuals involved in the same (as well as abettors) shall be prosecuted under the provisions of Foreign Exchange Regulation Act, 2019 (1962). However, in practice, mining and trading activities are at an all-time high in Nepal.

The Future: Where is cryptocurrency headed?

In September 2021, El Salvador became the first country to accept bitcoin as legal tender. However, some governments still fear that cryptocurrencies can be used

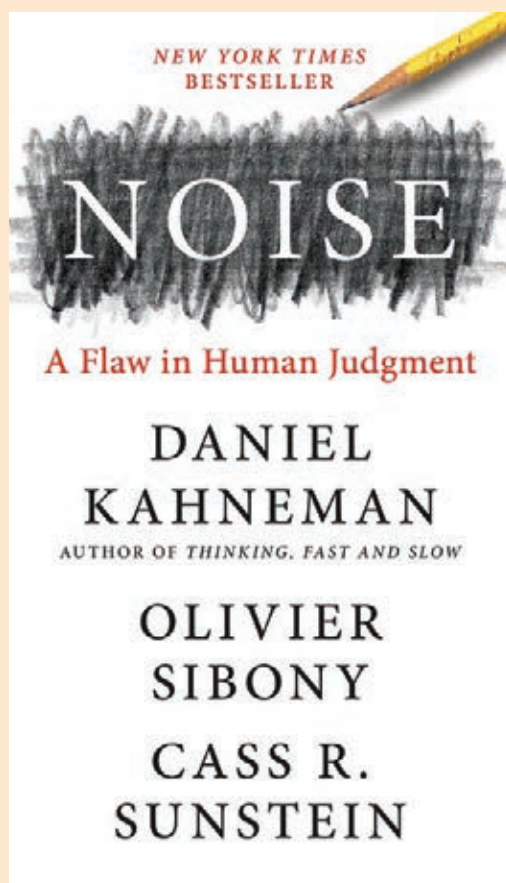
for circumventing capital controls, money laundering, or illegal purchases. Another radical issue that many governments are sceptical of are the circumvention of the traditional banking system by crypto users. The currency is created in cyberspace when so-called 'miners' use the power of their computers to solve complex algorithms that serve as verification for transactions.

Cryptocurrency is expected to be widely used as legal tender in the future. However, governments will not allow this without heavy regulation. The roles of banks may diminish and may be focused more on borrowing and lending without having to act as intermediary of all monetary transactions, as is the case now. However, due to the fact that mining of

cryptocurrencies is a tedious process, it will take many years to mine enough cryptocurrency to replace already existing tender (in form of cash or digits). If cryptocurrencies are adopted as legal tender, we may see more and more government introduced tokens so that central banks retain their regulatory power.

Having said all this, the universal adoption of cryptocurrencies is a radical unprecedented change and such changes take several years to receive overall acceptance and adoption. For the time being, experts suggest that for the next 15-20 years, cryptocurrency will be mostly treated as a commodity and not a currency. **B**

BOOK OF THE MONTH



Noise: A Flaw in Human Judgment

Author: **Daniel Kahneman, Cass R Sunstein and Olivier Sibony**

Imagine that two doctors in the same city give different diagnoses to identical patients — or that two judges in the same courthouse give different sentences to people who have committed the same crime. Suppose that different food inspectors give different ratings to indistinguishable restaurants — or that when a company is handling customer complaints, the resolution depends on who happens to be handling the particular complaint. Now imagine that the same doctor, the same judge, the same inspector, or the same company official makes different decisions, depending on whether it is morning or afternoon, or Monday rather than Wednesday. These are examples of noise: variability in judgements that should be identical.

In Noise, Daniel Kahneman,

Cass R Sunstein, and Olivier Sibony show how noise contributes significantly to errors in all fields, including medicine, law, economic forecasting, police behaviour, food safety, bail, security checks at airports, strategy, and personnel selection. And although noise can be found wherever people make judgements and decisions, individuals and organisations alike are commonly oblivious to the role of chance in their judgements and in their actions.

Drawing on the latest findings in psychology and behavioural economics, and the same kind of diligent, insightful research that made Thinking, Fast and Slow and Nudge groundbreaking New York Times bestsellers, Noise explains how and why humans are so susceptible to noise in judgement — and what we can do about it.



Hyundai Kona 2021

F3: Fast, Fun And Featured

Hyundai recently announced the facelifted 2021 Kona EV. This mid-sized electric SUV from Hyundai is one of the most seen EVs on the Nepali roads. Kona EV has been much loved by Nepali consumers since it first launched in 2019.

Although previously I got a chance to try out another EV from Hyundai, the Ioniq, I never had the opportunity to test drive the Kona. I loved the Ioniq and was pretty certain that the new 2021 Kona would deliver on my expectations. Let's see whether it did and what are the upgrades that the new Kona gets.

Exterior

From the outside the new Kona retains a similar shape as its predecessor. The major change you see is in the front of the car. The facelifted Kona gets a sharp angular nose, giving it a more aggressive look. The redesigned LED DRLs and headlamps add to the aggressive look of the vehicle.

The new Kona is given a flush front by removing the grille-like design from the 2019 model. The charging port is also placed on the fascia of the electric SUV. Like its predecessor the new Kona obtains the air vents on the lower part which have been slightly tweaked.

It is the side which looks the most similar with its predecessor. The thick black cladding on the wheel arches and door panels are removed on the new model. However, the car gets a thin lining of cladding on the very bottom of the car. Other than that, the design of the alloy wheels is now changed but personally I liked the alloy design of the older model as it looks quite unique and futuristic.

On the rear, the major difference are the tail lamps. To

match the front, the rear also gets angular and sharp making the car look more aggressive and modern. Moreover, Hyundai has also ditched the plastic cladding surrounding the tail lamp which suits the clean design elements of the car. The rear bumper has also been slightly redesigned.

Interior and Features

As soon as you get inside the cabin, you are welcomed by an all-new 10.3-inch fully digital instrument cluster which displays various information to the driver such as trip meter, average speed, range and more. The colour theme on the instrument cluster changes as you select different driving modes: Normal is indicated as white and blue, Eco as green, and Sport as red. Besides that, the cabin looks very similar to the model it replaces. On the centre of the dash you get an 8-inch touchscreen infotainment system that supports wireless Apple Carplay and Android Auto. The controls for the infotainment are now placed under the screen on the new Kona. Other minor changes include the redesigned AC vents. The smartly laid out cabin of the car feels quite upmarket. Additional features include wireless phone charging and automatic climate control.

Talking about the seats, the car has black leather seats and the front seats can be adjusted electronically. The seats are comfortable and provide a good amount of support to the back and thighs. Both seats in the front can be heated and cooled as well so you don't have to worry about cold winter days and scorching heat. Getting into the back is very easy, thanks to its wide-opening doors. The rear seats felt very comfortable to sit in with good thigh support



and decent legroom and headroom.

Performance and Safety

The 2021 Kona comes with the same 39.2 kWh battery pack. The company claims that the car can run up to 305 km on a single charge. The electric motor generates a maximum power of 134hp and 395 Nm of torque. The car has a top speed of 155 kmph. As it's an electric vehicle, you will not hear any engine sound, making the driving experience smooth and seamless. As soon as you lift your foot off the brake pedal, the car starts moving which makes driving easier for beginners though it will take some time to get used to it. The best thing about an electric motor is the instant torque as soon as you put your foot down. You get to choose from three driving modes: Eco, Normal and Sport. Eco gives the most driving range and Sport for spirited driving while Normal balances power and range.

Kona offers three levels of regenerative braking system which come into play as soon as you take your foot off the accelerator pedal. This smart feature allows the motor to spin in the opposite direction and generates electricity that goes back into the battery to recharge itself, adding more range to the car. The regenerative system also helps the car to slow down, so you don't have to press the brakes

often while going downhill. The brakes on the Kona felt responsive and capable of bringing the car to a halt quickly after a high-speed run. The Auto Hold feature on the car holds the car on the slope automatically so that you don't have to hold your foot down on the brake pedal.

The car feels very steady even at high speeds though you will feel a slight body roll going around corners. Driving in the city felt easy due to the responsive steering wheel. The suspension setup is neither too soft nor hard and the car soaked up small bumps with ease.

On the safety front, the Kona is equipped with Forward Collision-avoidance Assist (FCA), Blind-spot Collision Warning (BCW), Rear-Cross Traffic Collision Warning (RCCW), Lane Keeping Assist (LKA), High beam assist (HBA), Driver Attention Warning (DAW), Intelligent Speed Limit Warning (ISLW) and more.

Verdict

The new Kona definitely lived up to my expectations. Although not much has been changed on the new Kona, the car still offers a whole lot of features at a price of Rs 59,96,000. The electric SUV is comfortable and fun to drive. Kona can be a great options if you are looking for a reliable and well equipped eco-friendly family SUV. **B**



Standard (Tufted)

Beyond That Silence



Aleena Udas Sharma The author, a freelancer, based in New Delhi, is Program Director at EMERGE Nepal

When my boy was a toddler most of the time our house echoed with the sound of his toys or rhymes and at times when there was silence at home, we used to fret thinking that something is just not right. Not so comfortable with the silence we used to look for what the little boy is up to and as expected he would be busy removing tyres of his toy or wiping water on the floor that he had spilled to see the magic it unfolds or fiddling with the TV remote control and its batteries.... the list is endless. Perhaps that is what had conditioned my mind about silence and made me anxious whenever it was quiet at home. However, perceptions change and so has mine. Living in a world filled with chatter, chaos, noise, and uncertainty I now long for a space of peace therefore I try and listen to the silence.

When we listen to silence as described by Rumi, the great Persian poet, it has so much to say. The best thing about silence is, it allows us to pause. While we are busy being busy, we need those moments of silence. It makes our minds work better and perhaps lets us rewind, rethink and reassess our thoughts and actions when we get stuck. With life and work pressure, our brain that has resorted to 'autopilot mode' needs that few moments of silence to reboot itself. The pause in the form of

silent prayer or a silent moment with a loved one helps towards improving one's mental, emotional, and physical well-being. But surprisingly, silence doesn't carry the same meaning across different cultures.

Silence speaks

As words, silence in communication varies from culture to culture and even within a culture depending on the context. The context of a situation defines the power and message of silence. It's interesting to know how silence conveys a message. An American will not be comfortable with silence during a conversation, therefore would prefer to rush and fill in unlike the Japanese who think for a while and then speak. The cultural differences are such that in America silence is perceived as a lack of engagement, disagreement, and disinterest while in Japan silence reflects the cultural concept of 'Haragei' which drives people to exchange thoughts and feelings without

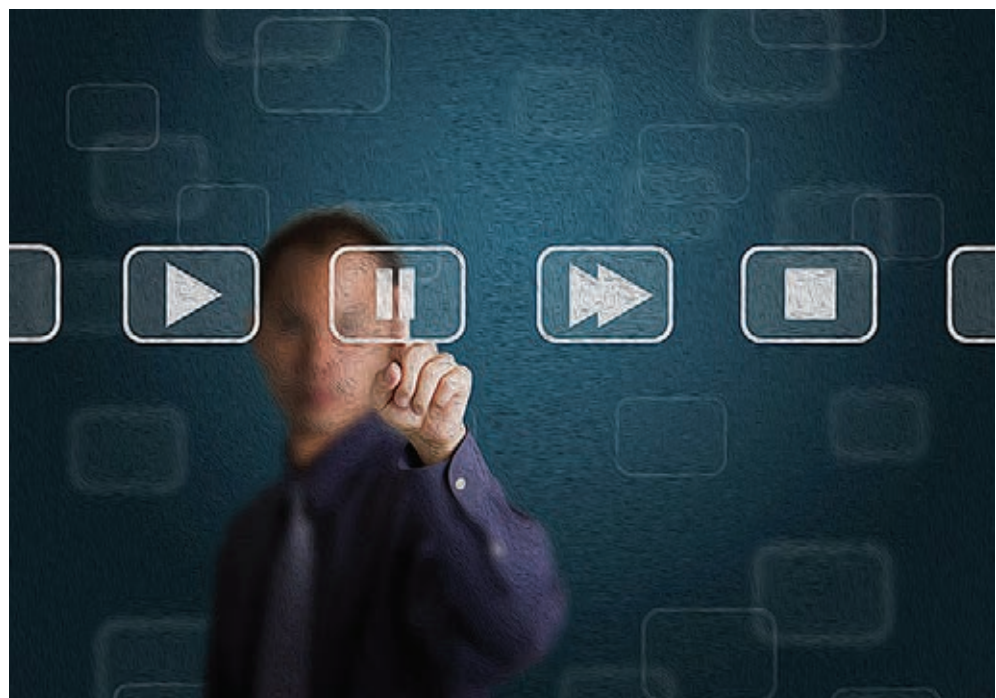
WHEN WORKING REMOTELY, THE POTENTIAL MISCUSES POSSIBLE IN COMMUNICATION IS MORE. DURING VIRTUAL MEETINGS, IT JUST TAKES A FEW MOMENTS OF SILENCE FROM A TEAM MEMBER TO LEAVE THE OTHER MEMBERS TO WONDER IF THE SILENCE WAS DUE TO NETWORK ISSUES. THIS IS BECAUSE WE ARE UNCOMFORTABLE WITH THE SILENCE AT THE OTHER END.

using words. It is the facial expression, timing, sounds, and silence that convey a message.

We, neither behave as Americans nor as Japanese, we tend to work midway. However culturally we are a listening lot given the high-power distance that exists in our culture. The silence is a way of showing our respect to the speaker and waiting for our turn to speak as it builds trust. To build trust we need to listen and for that, we cannot talk. While we think about the two ends of the intercultural spectrum, silence confuses us as it paves way for a wide range of perceptions and assumptions. It makes us uncomfortable and more often we rush to fill the space.

Silence louder than words

Imagine if a co-worker comes to work and remains silent. The other teammates will start finding reasons for the silence. The assumptions may or may not be true but this silence is louder than words. To add to this discomfort is the pandemic that has made every





one of us rely on technology and virtual space. With the fear of the virus and to ensure work continuity amid the pandemic, organisations have no choice but to adopt the hybrid work environment. It may be new, but the challenges associated with connecting and communicating at work aren't new. The face-to-face conversation has almost become a passé and virtual meetings, emails, and texts are the new normal at work.

When working remotely, the potential miscues possible in communication is more. During virtual meetings, it just takes a few moments of silence from a team member to leave the other members to wonder if the silence was due to network issues. This is because we are uncomfortable with the silence at the other end. That uneasiness gets amplified if emails/texts are ignored and ignoring emails and messages is almost like ignoring the sender who has just crossed by. This doesn't show how busy we are but how blatantly rude we are. The reason to ignore can be many and can be sometimes genuine but a couple of lines of acknowledgment talks volumes about our work ethic. The assumptions followed by the silence are detrimental to the individual/organisation's image. We are instinctive beings and our assumptions come from our instinctive reactions. Therefore, the longer the silence faster will the assumptions turn into conclusions. And we don't want that, do we?

So, what can we do?

Our daily routines are inundated with distractions and responsibilities. The wise will leverage the power of silence to heal and replenish their mental resources. Hence silence is golden. The same rule doesn't apply when communication depends on technology, when

emails and texts have replaced face-to-face communication, and when we cannot read nonverbal cues. The virtual space that we operate in leaves us guessing what the other person intends to say therefore it's better to be clear and precise in what we say or write rather than resorting to email/text ghosting.

The least we can do is instead of email ghosting is to drop a line acknowledging the email. Let's aim to shoot back a quick reply, even if it's just to say you'll get onto it later. All of us are busy and due to our constraints, we cannot immediately respond but can at least acknowledge. Being overwhelmed with emails/texts is no excuse. If we are bad at responding to people, we cannot be good at our work.

For most of us, the anxiety that builds up when someone has digitally snubbed us makes us feel as if our emails and texts have gone into the black hole and we cannot figure out what happened. This silence then heightens the anxiety within us and we tend to think about the incomplete tasks more often falling prey to the Zeigarnik effect. The Russian psychologist Bluma Zeigarnik had suggested that people remember unfinished or interrupted tasks better than completed tasks. So, when we get to experience silence after sending an email the Zeigarnik effect comes to play. Though text and emails are wonderful for speed and clarity, trickier to figure out what went wrong when we are ghosted.

Although difficult for most of us, let us try to respond to others as quickly as we want them to respond to us. For, beyond that silence lies our instinct to quickly jump to conclusions. **B**



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Revenue Leakage: Are you losing your top line?



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.

Cost cutting and profit maximisation are parallel concepts intertwined in most business mottos. In normal course, most companies channel their resources and efforts to reduce and optimise cost alongside increasing profits. Business establishments usually assume revenue is correct, any leak, frauds or unintentional errors occur on the cost or recovery side. However, ensuring accuracy and completeness of revenue is a very critical aspect that needs focus, controls, monitoring and assurance in equal measures.

Losing revenue at the top line is like running a business for free. Revenue assurance or leak assessment will help



companies recover revenue for services/goods provided but not billed, minimise enterprise level risks, avoid future leakage and optimise performance.

Importance

In the corporate world, investors, boards, management have full confidence in revenue reported in the financial statements. They rely on the

top line to make future business decisions, future growth and expansion plans.

Every time I have sat through an audit committee meeting, discussions have revolved around key focal points – reduction of cost, possible frauds related to cost and profit increase. The underlying assumption remains the same – revenue reported

was accurate and complete. But numbers tell you a different story. It doesn't take an in-the-field need to understand the importance of plugging revenue leakage and its direct impact on financials.

Plugging the leak

Cause of revenue leak varies across industries, scale and reach of operations. However, overall process of plugging the leak remains standard.

Step 1 - Understand the revenue sources:

Revenue talks about story of growth, the size of growth can only be ascertained only after knowing the sources. The tool Sources-of-Revenue Statement (SRS) that was developed by Michael Treacy is commonly used for sales tracking. The model breaks revenue as follows:

- Retention of existing customer base to on-boarding of new (known as base retention).
- Sales won from the competition (share gain).
- Market expansions.
- Lateral movements across adjacent markets to leverage core capabilities with minimum efforts.
- New lines of business.

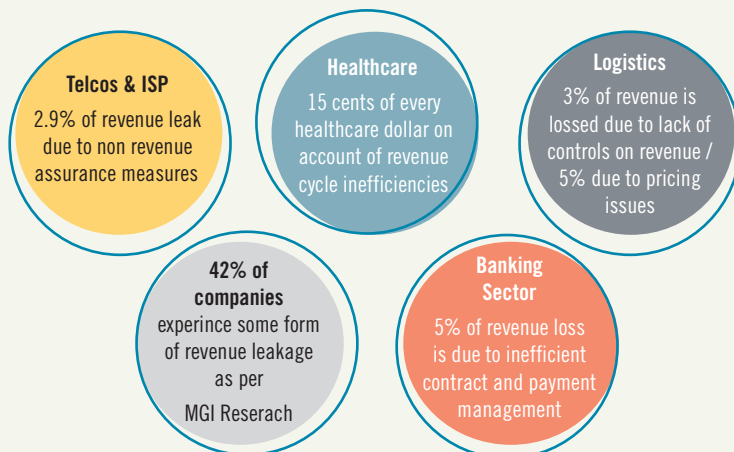
To table the above revenue sources, organisations need to establish the revenue gain or loss from entry or exit into markets, new businesses, determine growth, compute retention base, market share gains, potential growth and market positions, etc.

Step 2 - Possible Leaks

Loss of revenue varies from industry to industry depending on your automation levels. So, what are the few areas you can see revenue leaks in?

Software industry where time-based billing

Industries and revenues leakages





is prevalent: Revenue not billed because of non-filing of timesheet by team members for billable project hours.

Telcos & ISPs: Technical glitch in call monitoring software not recording all calls made through the network

Click based revenue: Absence of complete tracking of all clicks, resulting in non-billing of revenue and real-time billing

Manual invoicing: Has an error rate of 12-15% based on a study by Aberdeen Group, this directly applies to Nepal, where manual billing is required by the law.

Excessive use of spreadsheets: Errors in formula on spreadsheets resulting in incorrect price computation

Product pricing formulae: Non-accounting of all costs like pre-sales, administrative to name a few not considered in product pricing

Manufacturing: Incomplete estimation of manpower effort across different product segments

Trading: Not raising of invoice to customers for products sold

Hospitality: Not billing for special orders, laundry, room bar, for room upgrades, etc

Discounts: Unchecked discount process

Step 3 – Checks, and balances along with continuous monitoring

You know the source and leaks, but plugging it is the next key or rather should I say lock it. A holistic and non-traditional, end-to-end review and analysis of revenue stream and cycle, helps identify the problem areas. This helps define the checks and balances needed to prevent leaks and

lay down a short and long-term vision.

Process driven changes prevent any future leakages by focusing on all risks, processes, system controls, employee controls, financial practices, future automation, compliance to laws and regulations and defining a revenue assurance maturity framework.

In addition to preventive controls, detective controls like periodic data analytics, surprise checks, MIS, ratio analysis, red flag placements, etc is needed to constantly ensure the leak stays plugged.

Way forward and automation

Market is evolving and growing in varied complexities, reporting and regulatory environment in cross-border transactions adds pressure to the control environment. These market stressors can only be handled with constant and rapid technological changes in the operations, controls and optimisation of efficiencies.

Using standard processes and advanced analytical tools for revenue assurance functions like accurate and timely billing, analysis of revenue completeness, accounting of revenue, compliance matrix, MIS and financial analysis, etc is the only way to scale, mitigate revenue leakage and quickly identify root causes and any new vulnerabilities. Have you assessed the size of your leak? It's time to move forward and save your top line from eroding. **B**

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New World Bank report underlines Reforms to Support Fiscal Federalism, Green Growth in Nepal

Nepal has made significant strides in implementing fiscal federalism while key reforms are needed to support fiscal sustainability and Nepal's transition towards green, resilient, and inclusive development states the World Bank's Public Expenditure Review (PER) Report on Fiscal Policy for Sustainable Development launched on December 6.

With the country's transition to federalism, expenditure responsibilities have been devolved to subnational governments that are predominantly financed through intergovernmental transfers and revenue sharing. These now account for between 8% and 9% of GDP per year (or close to 30% of the annual budget). While federalism is helping bring policymaking closer to the people, it has also increased fiscal spending and (exacerbated by the Covid 19 pandemic) led to a sharp rise in fiscal deficits and public debt, states the report.

"This report provides an analytical basis to inform our reform efforts to strengthen federalism and create fiscal space to support our new focus on a green, resilient, and inclusive development (GRID) model," stated Madhu Kumar Marasini, Finance Secretary. "This complements our ongoing efforts to refine the fiscal transfer system put in place the systems for monitoring and reporting for a more results oriented and accountable delivery of local services."

The PER identifies key reforms to help Nepal strengthen fiscal sustainability and initiate a shift to a GRID pathway. It identifies the following five top priority reforms: (i) Encouraging the update of subnational spending responsibilities through the intergovernmental grants system; (ii) supporting exports

Nepalese Marketing Association formally inaugurated



The Nepalese Marketing Association (NMA) was formally inaugurated on December 23. The association has been registered as not-for-profit organisation with 65 founding members comprising of personnel from the marketing field and academia.

NMA aims to foster a stronger interest in education, to aid marketing professionals in their efforts to advance their personal and professional lives, and to promote the integration of ethical issues and general marketing practices. During the inauguration, the association also launched a campaign titled 'Let's Brand Nepal'. The campaign is an initiative to shift the national identity from traditional to the next level in the global context of businesses and individuals through a network of institutions and processes to generate, communicate, deliver and exchange ideas that are essential for customers, marketers and the Nepali society as a whole.

The mission of NMA is to make marketing the epicentre for all Nepali organisations, stakeholders and members. Similarly, its vision is to uplift the marketing community in Nepal to global standards.

The association is being led by a board of directors with Mahesh Swar as the President and Dr Gopal Thapa as the General Secretary. Sushil Awale has been appointed as Secretary and Punam Singh as Treasurer. Other members of the board include Abhaya Pd Gorkhalee, Suman Shakya, Srijana Joshi Maharjan, Satyendra Upreti and Surendra Thapa.

and job creation through reforms to import duties; (iii) strengthening domestic revenue, for example by reviewing VAT exemptions; (iv) enhancing public capital spending by rolling out the National Project Bank; and (v) providing fiscal incentives for a green growth transition.

"The World Bank will continue to support government reforms to improve fiscal sustainability and the implementation of fiscal federalism, drawing on the recommendations of the PER Report," said Faris Hadad-Zervos, World Bank Country Director for Maldives, Nepal, and Sri Lanka. "This report complements our human development PER, both of which will help inform the design of World Bank support to Nepal, including through our

ongoing support through our various Development Policy Credits."

The report also stresses the importance of strengthening investment processes and fiscal policies for green growth, and fiscal policy reforms to enable Nepal to use its green electricity surplus to mitigate air pollution to protect the health of people and the economy.

Standard Chartered Bank Nepal holds 35th AGM



Standard Chartered Bank Nepal held its 35th AGM on

December 14 chaired by Zarin Daruwala, Chairman of the bank. Considering the Covid 19 situation this year, the AGM was conducted in hybrid model from the bank's head office in New Baneshwor.

Standard Chartered has recorded an operating profit and net profit of Rs 2.01 billion and Rs 1.40 billion respectively for the financial year 2020/21. As at the close of FY 2020/21, the bank was able to post a growth of 26% on its risk assets over the previous year to reach Rs 72.95 billion. However, deposits declined marginally by 3.30% to reach Rs 95.99 billion. As proposed by the Board of Directors, the AGM approved payment of cash dividend of 3.06% and bonus shares of 10% to the shareholders of the bank for financial year ended July 15.

Standard Chartered Group holds 70.21% and the general public hold 29.79% shares in Standard Chartered Bank Nepal.

MetLife celebrates 20th anniversary in Nepal



MetLife, one of the world's leading insurers, celebrated its 20th anniversary in Nepal in the week starting December 5. Since first starting its Nepal operations in December 2001, MetLife has been a significant contributor to the growth and advancement of Nepal's insurance industry, introducing many product and service innovations, supporting talent development, and helping more people across the country benefit from financial protection through micro insurance.

Over the past 20 years, MetLife Nepal has paid over Rs 250 crores in claims, developed more than 40,000 careers through employment and training opportunities



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and maintained financial stability with Rs 2,000-crore Life Insurance Fund and Rs 274 crores in reserves as of November. Currently, MetLife is providing insurance coverage to more than 1.4 million lives in Nepal.

MetLife has always looked to make an impact, not just in business but on the wellbeing of its customers, communities and society and has established a leadership position in Nepal's insurance industry through a number of firsts.

New Honda Amaze 2021 launched in Nepal



Syakar Trading Company, authorised distributor for Honda cars in Nepal, has launched Honda MMC Amaze 2021 loaded with stylish looks, performance, safety features and amazing interiors in the Nepali market.

Advance LED Projector Headlamp and LED DRL's along with advanced front fog lamp will draw everyone's attraction towards New Amaze 2021. This car's another main feature is diamond cut to tone multi spoke R-15 alloy wheels. Amaze 2021 also has rear multi-view camera with guidelines and it has also received 4-star safety rating from NCAP. In addition, this car also has 7-speed CVT gearbox in both petrol and diesel variants, first in its class.

Sleek solid wing face front grill in this car has made its design more attractive. Other features include automatic headlight control with light sensor, premium C-shaped LED combination lamp, chrome door handle, etc.

Hyundai unveils new Kona in Nepal

Laxmi Intercontinental, the exclusive authorised distributor

NMB Bank secures first SIFEM investment in Nepal with \$12 million deal

NMB Bank has secured a \$12-million debt investment deal with the Swiss Investment Fund for Emerging Markets (SIFEM). The deal marks the first-ever SIFEM investment in Nepal, and also the first instance of cooperation between SIFEM and Swiss Agency for Development and Cooperation (SDC) to enable such an investment.

Nepal is a focus country of Switzerland's development cooperation. The cooperation between SIFEM and SDC by leveraging expertise and synergies between Swiss institutions to advance development in Nepal is an important milestone in Switzerland's longstanding partnership with Nepal. The deal also further reasserts the commitment of NMB Bank towards acquiring diversified fund sources to bolster its unique brand of sustainable banking, an event especially pertinent and important given the current market scenario.

The investment deal was signed on November 28 between SIFEM and NMB Bank, with SDC extending credit enhancement to SIFEM on a risk sharing basis, mainly to cover macroeconomic risks. Under the terms of the deal, the SIFEM investment will be utilised towards lending to local micro, small and medium enterprises (MSMEs), providing much needed access to finance and contributing to the development of the financial sector, preserving jobs, and boosting the resilience of the local economy.

Ambassador of Switzerland to Nepal Elisabeth von Capeller said, "Swiss Investment Fund for Emerging Markets' debt investment in NMB Bank marks the beginning of a new chapter in Swiss-Nepal cooperation. This investment will support increased access to finance for Nepali micro, small and medium enterprises – the key drivers of Nepal's economy."

CEO of NMB Bank Sunil KC highlighted the importance of the deal in the current challenging market scenario. "This investment deal, which marks the first SIFEM investment in Nepal, provides further drive to our commitment towards diversified fund sources and investing in the real economy sectors. In these challenging times this deal will ensure that small businesses have access to uninterrupted cash flow to keep their businesses going."

NMB Bank's investment deal with SIFEM is a continuation of its strategy to foster alliances with international stakeholders to diversify its fund sources. In the past, the bank has successfully secured repeat debt funding from the International Finance Corporation and from various other international lenders such as CDC Group, the OPEC Fund for International Development, and Symbiotics.

of Hyundai Automobiles in Nepal, has launched facelift Hyundai Kona in the Nepali market. Belonging to the Hyundai Kona family, the new model, Kona Electric, has been hailed as the successor of the already dominant Kona lineup. The new Kona Electric comes with facelift and some significant upgrades. It is dynamic, defining vehicle of its own class.

The new Kona Electric has several exciting upgrades both



in interiors and the exterior. A cutting-edge design, driven by pure electric powertrain, provides a longer driving range as well as many advanced connectivity and safety features

that make Kona stand out. Kona Electric is ready to break away from the league with its Smart Sense safety suite, Regenerative Braking Paddle Shifters, Shift by wire system, Climate pre-settings. The front now comes with a new grille and daytime running lights and has also received a wider set of tail lights to emphasise the car's presence on the street. The driving range has also seen an upgrade and can drive over 305 kilometres on a single charge. The interior, built on simplicity and good ergonomics, finely complements the elegant exterior of Kona.

Further, 39.2kWh lithium-ion polymer battery featuring multi-stage high-voltage safety systems delivers high energy density for the improved driving range. With its 8" Touchscreen Audio Visual Navigation System, Kona Electric provides a superior spatial experience to further enrich your traveling experience. The layout and packaging of the cells give the Kona Electric a low centre of gravity that promotes agile handling and a comfortable ride. Kona Electric will be available in atlas white, cyber grey, galactic grey, pulse red, surfy blue and dark night.

NMB creates history as winner of Bank of the Year Asia 2021



NMB Bank has added yet another prestigious award to its list of accolades with a win that is also an historical, first-of-its-kind event in Nepal. The bank has been awarded 'The Bank of The Year Asia 2021' by The Banker magazine, London UK. NMB Bank has been adjudged the best bank in Asia beating out stiff competition from Asian giants such as China, India, Hong Kong, South Korea and Japan.

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Chairman of the bank including its board of directors and the CEO accepted the award on behalf of all the banking fraternity from Prime Minister Sher Bahadur Deuba. Congratulating the bank for creating history, the Prime Minister said the bank has enhanced the prestige of the entire Nepali banking industry by being honoured with the coveted award.

NMB Bank is the first ever bank to receive this award which is a historical achievement in itself for the banking industry in Nepal. Along with this, the bank has also been conferred with 'The Bank of The Year 2021 Nepal' for the fourth time in five years. The award was announced at a press conference held on December 1, on the same day of the official announcement from The Banker magazine.

Meanwhile, NMB Bank has successfully executed financial closure of Super Kabeli Khola A Hydropower Project with installed capacity of 13.5 MW (Snow Rivers) and Super Kabeli Khola Cascade Hydropower Project (Hilton Hydro Energy) with installed capacity of 12 MW. Both the projects are located in Sirijangha Rural Municipality, Taplejung.

The Financial Closure Agreement of both projects have been signed with lead financing from NMB Bank and Rastriya Banijya Bank as member bank. Nepal Electricity Authority (NEA) has already facilitated for the construction of project by signing Power Purchase Agreement (PPA) with both companies. A sum of Rs 1.89 billion and Rs 1.67 billion shall be financed by the consortium banks for the development of Super Kabeli Khola A Hydropower Project and Super Kabeli Khola Cascade Hydropower Project, respectively.

8% Nabil Debenture 2085 listed in Nepal Stock Exchange



Nabil Bank has signed an agreement with Nepal Stock Exchange for listing of '8% Nabil Debentures 2085'. Anil Keshary Shah, CEO of Nabil Bank and Niranjana Phuyal, Officiating CEO of Nepse signed the agreement amidst a signing ceremony held on December 1 at Nepse's office.

A total of 22,07,108 units of debenture having serial number 1 to 22,07,108 bearing face value of Rs 1,000 per debenture have been listed. The issue which was opened on July 25 has been successfully allotted on August 16 by the issue and sales manager Himalayan Capital Ltd. The '8% Nabil Debenture 2085' (NBLD85) will be open for trading in the floor of Nepse from December 2. The debentures having 7-year tenure will mature and paid on August 13, 2028. The bank has also appointed M/s Nabil Investment Banking Ltd as the registrar to debentures to perform entire works related to the registrar, including keeping records of the debentures, their transactions, filing rejection, name transfer, withholding and updating and maintaining the information of debenture holders.

Nabil Bank has been providing its services through a wide domestic network of 135 branches, 189 ATMs, more than 1,500 Nabil Remit agents throughout the nation and many correspondents across the globe.

Swastik Oil Industries under KL Dugar Group honoured as Best Exporting Company



Swastik Oil Industries under KL Dugar Group has been honoured by the Industries Association Morang as the best exporting company in Morang-Sunsari Industrial corridor for fiscal year 2077/78 for making significant contribution to the economy and reducing the trade deficit of the country.

On the occasion of the inauguration ceremony of the 65th AGM of the Industry Association Morang, Finance Minister Janardan Sharma presented the award to Vikas Dugar, Director of Swastik Oil Industries.

Swastik Oil Industries has been producing and selling high quality edible oils such as Swastik Soybean Oil, Dhara Health Sunflower Oil, Sunflow Sunflower Oil, among others.

Global community steps up with \$93 billion support package to boost resilient recovery in world's poorest countries

The World Bank on December 15 announced a \$93 billion replenishment package of the International Development Association (IDA) to help low-income countries respond to the Covid 19 crisis and build a greener, more resilient, and inclusive future. The financing brings together \$23.5 billion of contributions from 48 high- and middle-income countries with financing raised in the capital markets, repayments, and the World Bank's own contributions.

The financing package, agreed over a two-day meeting hosted virtually by Japan, is the largest ever mobilised in IDA's

61-year history. IDA's unique leveraging model enables it to achieve greater value from donor resources – every \$1 that donors contribute to IDA is now leveraged into almost \$4 of financial support for the poorest countries.

"Today's generous commitment by our partners is a critical step toward supporting poor countries in their efforts to recover from the Covid 19 crisis," said World Bank Group President David Malpass. "We are grateful for the confidence our partners have in IDA as a non-fragmented and efficient platform to tackle development challenges and improve the lives of millions of people around the world."

The funds will be delivered to the world's 74 poorest countries under the 20th replenishment (IDA20) programme, which focuses on helping countries recover from the impacts of the Covid 19 crisis. In these countries, the ongoing pandemic is worsening poverty, undermining growth, and jeopardising the prospects of a resilient and inclusive development. Countries are struggling with falling government revenues; increasing debt vulnerabilities; rising risks to fragility, conflict, and instability; and dropping literacy rates. About a third of IDA countries are facing a looming food crisis.

To help countries build back greener, a substantial portion of these funds go to tackling climate change, with a focus on helping countries to adapt to rising climate impacts and preserve biodiversity. IDA will also deepen support to countries to better prepare for future crises, including pandemics, financial shocks, and natural hazards. While IDA20 will support countries globally, resources are increasingly benefiting Africa, which will receive about 70% of the funding.

With this strong package, IDA will be able to scale up its support in the pandemic and address health challenges, helping 400 million people receive essential health and

nutrition resources. The social safety nets programme is also expected to reach as many as 375 million people.

The IDA20 programme has more ambitious policy commitments that will support countries in prioritising investments in human capital, covering issues such as education, health and nutrition, vaccines, safety nets, and support for people with disabilities. IDA will also increase its ambition in addressing other major development challenges such as gender inequality, job creation, and situations of fragility, conflict and violence, including in the Sahel, the Lake Chad region, and the Horn of Africa. A continued emphasis on governance and institutions, debt sustainability, and digital infrastructure interventions will help foster economic and social inclusion.

Due to the urgent development needs of IDA countries, the replenishment was advanced by one year. IDA20 will cover the period of July 1, 2022, to June 30, 2025. The IDA20 policy architecture builds on the strong foundation of IDA19, with enhancements to make IDA20 even more ambitious and fit for today's challenges.

Amnesty International Nepal calls for action against prevention of death in police custody

Nepal's authorities must take urgent and concerted actions to prevent custodial deaths including through appropriate legal accountability measures, Amnesty International Nepal has said as it launched the organisation's 2021 edition of the global campaign called Write for Rights. The 'Write for Rights' is Amnesty's global flagship campaign and the world's biggest human rights event. It brings people together to raise their voices in protecting the rights of those who are at risk around the world.

In January, four UN special rapporteurs in

their communication with the Government of Nepal expressed serious concerns over the continued incidents of custodial deaths and the lack of accountability measures thereto. Incidents of custodial deaths in police custody have continued this year with the authorities continuously failing to carry out independent and credible investigations.

In July, Paltu Ravidas, 40, of Dhanusha, detained by police was found dead in the toilet of the District Police Office. In August, a police officer on duty during his death has been suspended for six months. In September, Bhim Kamat, 37, of Biratnagar died, allegedly from torture while in detention in Morang district. He had injuries on both of his legs. His families and locals protested the death demanding justice. Police claimed that he died during treatment after he suddenly developed unconsciousness.

In October alone, three incidents of deaths in custodies were reported. Mohammad Hakim Sah reportedly died in the custody of the District Police Office, Sunsari. Police claimed he had committed suicide, but his family and locals alleged he was tortured to death. Dhan Bahadur Rana Magar, 35, of Surkhet also reportedly committed suicide at the Area Police Office in Tikapur. Durga Raj Pandey, 59, of Parbat reportedly hanged himself in jail.

In the last three months alone, there have been at least six reported incidents of custodial deaths. Neither Nepal Police nor Office of the Attorney General has maintained a record of such deaths and the exact number of such deaths is not available as there is no official record.

"The rising cases of reported custodial deaths is worrisome. No one should die at the safety of state. Once detained, it is the state's responsibility to protect the lives of the detainees," said Nirajan Thapaliya, Director of Amnesty International Nepal. "In case they die in

Neuro Hospital sets up the first Biplane Cathlab in the country



Neuro Hospital at Bansbari has set up the very first Biplane Cathlab, an advanced diagnostic and treatment equipment in the country. The machine shows

the affected areas from many different angles during the procedure and makes this procedure easy to perform. On December 16, Upendra Devkota Memorial National Institute of Neurological and Allied Sciences (Neuro Hospital) inaugurated the state-of-the-art technology in neuro-intervention marking the birth anniversary of the Founder, Late Professor Dr Upendra Devkota.

This technology has been a long time coming. Prof Dr Madhu Dixit Devkota, Executive Chairperson at the Upendra Devkota Memorial National Institute, mentions that her husband, the late Dr Upendra Devkota, had been planning to bring this technology to Nepal before his unfortunate death in 2018. Dr Upendra Devkota, the founder of this institute was the first neurosurgeon for Nepal, trained in the most prestigious institutes in the UK.

custodies, there should be fair, impartial and independent investigation into the incident with promptness upholding accountability and ensuring effective remedies to the families of the victims."

Usually, the incident of custodial deaths is projected as a case of suicide or death due to health complications without proper investigations and sanctions for both the commissions and omissions on the part of the authorities. The incidents of torture and ill treatment in custody often resulting in deaths continue even as the new National Penal (Code) Act, 2074 (2017) criminalised torture for the first time in Nepal.

As per the National Penal (Code) Act, 2074 (2017), any person found guilty of inflicting torture shall be punished with five years of imprisonment or fine up to Rs 50,000 or both. However, no individual has been prosecuted under this law till date.

"It is state's duty to prevent any kind of deaths in custodies. The authorities must ensure police custodies and prisons

safer for the detainees and inmates," Thapaliya added. "No one should be subjected to any form of torture and cruel, inhuman or degrading treatment or punishment under any circumstances. We call on the government for adopting administrative, judicial and other measures to prevent such deaths in custodies."

The Office of Attorney General and National Human Rights Commission are two prominent authorities mandated by the Constitution of Nepal 2015 to monitor detention centres and prisons. The continuity of rising deaths in custodies demonstrates their failures as well.

Through this campaign, Amnesty Nepal will be calling upon Prime Minister Sher Bahadur Deuba and all other concerned agencies to launch a set of actions to ensure that those in detention should enjoy human rights and all incidents of custodial deaths should be properly investigated, and those guilty of inflicting torture and causing subsequent deaths of detainees are held accountable.



World Bank helps set up oxygen generation plants in Lumbini and Province 2



Two new oxygen generation plants came into operation in Lumbini Provincial Hospital in Lumbini Province and Janakpur Provincial Hospital in Province 2 as of December 5, 2021. These plants financed by the World Bank are part of a long-term solution for augmenting Nepal's capacities for a stronger response to the Covid 19 pandemic and boost self-reliance of provincial hospitals to meet the needs of therapeutic oxygen.

The energy efficient, Pressure Swing Adsorption (PSA) oxygen generation plants, were inaugurated by Dr Madan Kumar Upadhyaya, Division Chief of the Ministry of Health and Population, and Faris Hadad-Zervos, World Bank Country Director for Maldives, Nepal, and Sri Lanka. Similar plants will be operational in the remaining five provinces: Damak Municipality Hospital of Province 1, Hetauda Hospital of Bagmati Province, Western Regional Hospital of Gandaki Province, Karnali Provincial Hospital of Karnali Province, and Mahakali Provincial Hospital of Sudurpaschim Province.

"The government is making concerted efforts to strengthen the capacities of the public hospitals and ensure that they are self-sufficient and have adequate supply of medical oxygen to meet increased demand in the event of future waves of Covid 19," said Birodh Khatriwada, Minister of Health and Population. "We appreciate the continued support that the World Bank and other development partners are providing to our efforts to respond to the pandemic effectively."

The oxygen plants were procured, installed, and will be operated and maintained fully for a period of three years by UNOPS under the World Bank-financed Covid 19 Emergency Response and Health Systems Preparedness Project, which also financed 1,000 units of 10-litre oxygen concentrators distributed to peripheral health facilities across the country in June 2021. The plants will ensure uninterrupted supply of high-quality medical oxygen through the central medical gas pipeline system to hospital facilities, where installed. Additionally, the oxygen can also be used to fill at least 24 46.7-litre cylinders for emergency back-up and supply to peripheral hospitals or ambulance use.

"Having essential infrastructure, equipment and supplies in the right places – such as these oxygen plants in strategically located, frontline hospitals in each province – is important to be able to respond to health crises posed by the Covid 19 pandemic," stated Hadad-Zervos. "We reaffirm our continued support to Nepal and Nepalis, to help build stronger and more resilient systems to tackle pandemics and other health shocks."

The oxygen plants were inaugurated as part of a joint field visit of the heads of agency and senior representatives from the World Bank, Asian Development Bank, European Union, Swiss Agency for Development and Cooperation, International Labour Organisation, and Food and Agriculture Organisation. It included an observational visit and discussion on the Bangladesh-Bhutan-India-Nepal Multi-phase Programmatic Approach Regional Transport and Trade Facilitation Programme in Nepal, the first phase of which is under preparation. It focused on the potential development of the Tinau bridge in Lumbini Province as a signature bridge – a green architectural landmark whose concept will be further discussed through various consultations with relevant

local governments and key stakeholders.

The delegation also visited field sites and interacted with the local government and local community under the World Bank-supported Nepal Livestock Sector Innovation Project and Food and Nutrition Security Enhancement Project under implementation in Lumbini Province and Province 2, respectively.

Laxmi Bank joins the Partnership for Carbon Accounting Financials



Laxmi Bank has joined the Partnership for Carbon Accounting Financials (PCAF), the latest in a series of steps taken by the bank towards furthering its commitment to environmental sustainability.

The Partnership for Carbon Accounting Financials (PCAF) is a collaboration between financial institutions worldwide to enable harmonised assessments and disclosures of greenhouse gas emissions financed by loans and investments. In addition, the Science Based Targets initiative has officially endorsed PCAF's methodology as a universal method for calculating and disclosing financial products' greenhouse gas emissions.

Laxmi Bank is excited to join PCAF to jointly chart a path to a net-zero future and further support Nepal's national commitment made at COP26. The partnership reinforces the bank's long-standing commitment to reducing its carbon impact by managing business in a responsible way, with environmental and social considerations as factors.

Meanwhile, Laxmi Bank

held its 21st annual general meeting on December 23. The AGM approved the proposal of distribution of 8% bonus shares and 3.5% cash dividend on the current paid-up capital of the bank. With this, the paid-up capital of the bank will rise to Rs 11.55 billion after distribution of the bonus shares approved by the AGM.

The AGM discussed and approved the Directors' Report and the Financial Statements for the financial year 2020/21 (2077/78).

Laxmi Bank closed the financial year 2020/21 with a

balance sheet size of Rs 152 billion and net profit of Rs 1.57 billion. All key financial indicators are well within prudential and regulatory norms.

FNCCI signs agreement with Daraz to promote SMEs



The Federation of Nepalese Chambers of Commerce and Industry has signed an agreement with Daraz with an aim to promote products of small and medium enterprises (SMEs) in the domestic as well as global market. The agreement was signed by Shekhar Golchha, President of FNCCI and Lino Ahlering, Managing Director of Daraz.

FNCCI has said products manufactured by SMEs that are members of the federation will



now be sold through the online portal of Daraz. The federation has mentioned that it has taken this initiative because SMEs are one of the most important segments of the national economy but have been reeling under tremendous pressure due to the outbreak of the Covid 19 pandemic.

As per the pact, those SMEs that are registered at FNCCI will be allowed to display their products on Daraz without having to pay any charge. Meanwhile, Daraz will also extend further help by promoting such products free of cost. Moreover, Daraz will also provide skill-based training to SMEs to help them increase their presence in online portals.

Daayitwa holds training on economic governance for civil servants of three municipalities



Mayors, Deputy Mayors, Chief Administrative Officers and other officials of three municipalities of Lumbini Province have been trained on 'Leadership for Economic Governance'. The two-day training organised by Daayitwa on December 24-25 aimed at strengthening the leadership capacity of senior municipal representatives and officials. The training was attended by 40 municipal representatives and officials from Musikot (Gulmi), Sunwal (Nawalparasi) and Tilottama (Rupandehi) municipalities.

Addressing the participants at the closing ceremony of the training, Minister for Federal Affairs and General Administration (MoFAGA), Rajendra Prasad Shrestha said, "If political and administrative

leadership can work together in efficient and effective coordination then all the resources available in Nepal can be well managed and the country can then progress towards a productive economy and sustainable development."

The training aimed to provide insights to the local municipal representatives and officials on issues like good public policy, behavioural approach of public service delivery, domestic youth employment, law for local development, economic vision of federalism, evidence-based policy making, public-private partnership, local government financing, and integrity culture. It is hoped that the training will make them aware and sensitive to these issues, and the policy leadership capacity of the local government will be enhanced to address such issues of public interest.

Former Chief Justice of

the Supreme Court, Kalyan Shrestha, encouraged the participants by highlighting the issues they should focus on while drafting new policies at the local municipal levels.

The Leadership for Economic Governance (LEG) training curriculum is divided into six modules under which the third module 'Shaping the Economic Vision of Local Government' and the fourth module 'Enhancing Performance of Public Service Delivery' were completed in these two days.

Various sessions under these modules were conducted by former Chief Justice of the Supreme Court Kalyan Shrestha, CEO of National Reconstruction Authority Sushil Gyawali, Former Ambassador to Japan and former Vice

Nabil Bank launches Nabil DigiBank Portal



Nabil Bank has officially launched Nabil DigiBank Portal that offers an array of new online services to its customers through a single window. Through this portal, the bank has automated its product/service requests so that customers can have a seamless banking experience.

During a launch event organised on December 9, Anil Keshary Shah, Nabil Bank's CEO, started the event by showcasing the bank's journey as the first computerised bank to now evolving into a truly digital bank. The showcase comprised of several milestones that Nabil Bank has created over the last 37 years including the inception of a separate vertical called 'Nabil DigiBank', which was set up back in August 2020 to ensure the formulation of a comprehensive digital vision and strategy. Today, the bank has taken a step towards turning that vision into reality through Nabil DigiBank Portal.

Nabil DigiBank Portal offers several online services namely online fixed deposit, debit/credit card request, debit card replacement, merchant onboarding, and retail/SME loan application. The bank aims to continue adding several other online services in the coming

days ahead. The portal can easily be accessed through the bank's official website and Nabil SmartBank app (mobile banking).

Similarly, Shah officially announced the launch of two new online services - Online Account Opening with Video Verification (VKYC) and Virtual iCard. With the launch of VKYC, customers will now have a choice to either visit the branch of their choice or complete KYC through video verification upon submitting an online account opening application. If the applicant opts for VKYC then they will be asked to appear in front of a live camera to give their introduction or do a set of pre-determined introductory drills.

Likewise, Nabil Virtual iCard is a service request embedded within Nabil SmartBank app through which the bank's customers can easily apply for a virtual iCard by uploading their PAN and even top-up its balance. The customer's request is processed online and the virtual card gets issued instantly within the mobile banking app along with the card details (card number, expiry date, CVV). The Virtual iCard can further be used to perform e-commerce transactions (except in INR).

Chancellor of Tribhuvan University Kedar Bhakta Mathema, former Secretaries to Government of Nepal, Krishna Gyawali and Kashi Raj Dahal, Joint Secretary of MoFAGA

Vishnu Datta Gautam, Deputy Team Leader of Economic Policy Incubator Dr Hira Mani Ghimire, Senior Social Protection Specialist of World Bank Jasmine Rajbhandari,

Local Financing Expert Pawan Lohani and Executive Coach of Nepal Leadership Academy and Founder and Chairman of Daayitwa Dr Pukar Malla.

The first and second modules of the training were conducted last month in Pokhara in which issues like economic governance, economic politics approach and analysis, inclusive municipal governance, adaptive leadership, introduction to leadership and leaders, leadership of innovation, self-motivation and empathy, and service mentality were highlighted.

The training was conducted under the project 'Leadership for Economic Governance' that is currently running in Musikot, Sunwal and Tilottama municipality from August 2021. The project aims to accelerate Nepal's inclusive economic growth by strengthening the leadership and innovation capacity of municipal governments to play an active role in their communities to promote youth employment and to address the structural barriers. The LEG project in these three municipalities is the collaborative effort of Daayitwa, Nepal Leadership Academy and Governance Lab with support from Lang Centre for Civic Responsibility at Swarthmore College and the US Embassy, Nepal.

Paramount Motors launches MG Hector in Nepal



Paramount Motors, the sole authorised distributor of MG Motors in Nepal, officially launched the Hector at a formal press event held in its Naxal showroom on December 9. The all-new Hector comes with 1.5L turbocharged intercooled engine and is available in both MT and CVT variants. Hector MT and CVT have been competitively priced at Rs

59.99 lakhs and Rs 64.99 lakhs, respectively.

Hector is all about safety, style and functionality. Among the most prominent features of the Hector are the bold front chrome grille, projector headlamps, and stylish R17 silver alloys, electric sunroof, push button start, electric parking brake, stunning 26.4cm HD touch screen AVN system, among other features.

The event also marked the collaboration between Zonta Club of Kathmandu and Paramount Motors. As part of its CSR initiative, Paramount Motors handed over Rs 10 lakhs to help Zonta Club of Kathmandu to produce awareness campaigns on the importance of speaking up against domestic violence, work/public harassment and child marriage.

Laxmi Group celebrates 48th anniversary



Laxmi Group, which started its business from sweets production at Laxmi Mithai Bhandar in 1973, celebrated its 48th anniversary on December 20. The group celebrates its founding day on Poush 5 every year. Employees from all the companies under Laxmi Group were present at the reception of 48th Corporate and Thanksgiving Day. Chairman of Laxmi Group, Ganesh Bahadur Shrestha, inaugurated the programme with a welcome speech.

On the occasion, employees who have spent five to 40 years in different companies under Laxmi Group were honoured. The group carries out various social activities as a part of corporate social responsibility on its anniversary every year. Today Laxmi Group has invested in various industries including confectionery, dairy, plastics, automobiles, electronics, steel.

Hami Nepal organises its first AGM in Bhaktapur



Hami Nepal, a youth led non-profit organisation, has successfully organised its first AGM in Bhaktapur. The organisation was established in 2015.

On the occasion, Hami Nepal honoured guests including Dr Sanduk Ruit, Chairman of Barbara Foundation, Deepak Bhatta, Chairman of Infinity Holdings, Upendra Hirawat, Director of Infinity Holdings, Sulav Agrawal, Vice Chairman of Shanker Group, and Sahil Agrawal, Managing Director of Shanker Group, who have continuously helped the organisation to reach its goals of selflessly serving the needy.

The organisation also launched its website which aims to maintain transparency

of the donated funds and all the expenses of the organisation.

Addressing the event, Sudan Gurung, President of Hami Nepal, said, "Our entire team is very grateful to all the donors and volunteers from all over the world who have shown endless support and love to make our vision a success. We strongly believe and recognise the power of youth and vision to become a platform for all young individuals who want to make a difference in what matters."

Hami Nepal is a movement that truly believes in the narrative 'For the people, by the people' translating every individual coming in to work for the greater good of the country's people.

Pandey appointed as CEO of Sanima Bank



Sanima Bank has appointed Nischal Raj Pandey as its new CEO. As per the decision taken by the bank's Board of Directors, Pandey will assume his duty as CEO from January 26. Prior to this appointment, Pandey was serving in the bank as a Deputy Chief

Executive Officer. Pandey has been involved in the country's banking sector for the last 26 years. Prior to joining Sanima Bank he had worked in Nabil Bank for 18 years.

Everest Bank teams up with iSON Healthcare



Everest Bank and iSON Healthcare has signed a MoU whereby both the parties will have a joint promotion programme for account holders

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and cardholders of the bank offering special discounts of up to 7% for overseas treatment in India, Thailand, Singapore, Malaysia, Dubai, Turkey and other countries. The MoU was signed and exchanged by Sudesh Khaling, CEO, Everest Bank and Vivek Gupta, Chairperson, iSON Healthcare.

During the program, Gupta highlighted that the tie-up will not only save money but also offer a choice of multiple hospitals/doctors wherein account holders and cardholders of the bank can avail quality treatment as iSON has partnered with more than 1,000 hospitals and 2,500 plus partner doctors globally.

Winner of Kora Cycling Click 2 win Photo Contest 2021 announced



Jayan Madhikarmi won the annual Kora Cycling Click 2 win Photo Contest 2021 (#MYKORACHALLENGE) with his winning photo titled 'DOWN'. The winner got a free roundtrip ticket to Istanbul, Turkey sponsored by Turkish Airlines. Top 10 photographs were judged by professionals and the winner was selected by highest number of likes on Facebook. The winning photo received over 1.8 likes.

Turkish Airlines Nepal has been partnering with the Kora Cycling event organised by Social Tours and Kathmandu cycle city network and supported by Pangro for the past three consecutive years. The Kathmandu Kora Cycling challenge is said to be the biggest mass ride in Nepal that brings together over 3,000 cyclists every year. However due to the pandemic the event was held virtually this year.

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.

Plastic member companies eliminate over half of their problematic plastic

A new report from World Wildlife Fund (WWF) finds that principal members in the organisation's ReSource: Plastic programme: The Coca-Cola Company, Keurig Dr Pepper, McDonald's Corporation, Procter & Gamble, and Starbucks – cut their use of problematic plastic by 57% between 2018 and 2020. This significant reduction, which totalled 71,000 metric tonnes, included the elimination of material transformation of hard-to-recycle small items like straws, utensils, and materials like rigid foam and vinyl.

The decrease in problematic plastic is one of many metrics highlighting progress published in Transparent 2021, the second annual report from ReSource: Plastic. Launched in 2019, the programme is a first-of-its-kind effort to quantify the corporate impact and track company actions and opportunities to prevent millions of tonnes of plastic waste.

The Transparent reporting series looks at how plastic footprints are changing year-over-year, tracking progress and prioritising recommendations for action in three areas WWF finds critical for corporate engagement on plastic like eliminating unnecessary plastic, making the plastic they do need from sustainable inputs, and doubling their recycling rates.

Everest Bank launches Omni Channel System



Everest Bank upgraded its mobile banking version to the new 'Omni Channel' on December 29. The updated m-banking service will enable the bank's customers to use the digital platforms from any device, anytime and anywhere (mobile, tab, PC, laptop, etc).

The new system was launched amid a function held at the bank's head office in Lazimpat in the presence of Sudesh Khaling, Chief

Executive Officer of Everest Bank and Biswas Dhakal, President and Chairperson of F1Soft Group.

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, 138 ATMs and also through its widest global network.

Unilever Nepal partners with Maiti Nepal to make women employable through its initiative 'Asha'



Unilever Nepal, one of the largest manufacturing companies in Nepal, has partnered with Maiti Nepal to work together to generate employability among women who have been victims of human trafficking or domestic abuse and increase and improve their social, economic and legal strength. This partnership aims to provide sustainable income generating avenues for these women.

The women will undergo intense training programme under the guidance of experts from renowned brands of beauty parlours, excavator driving and sales training. They will also be provided with accommodation in Maiti Nepal Rehabilitation Centre during their training period.

Employability of women will help them to participate fully in economic life across all sectors to build stronger economies, achieve internationally agreed goals for development and sustainability, and improve the quality of life for women, their families and communities.

The programme was inaugurated by Anuradha Koirala, Founder of Maiti Nepal, and Amlan Mukherjee, Managing Director of Unilever Nepal, on December 6.





'Gastrointestinal Surgery Series – Minimal Invasive Hepatobiliary & Pancreas Surgery' by Dr Dhiresh K Maharjan and Prof Prabin B Thapa launched



The launch of the Gastrointestinal Surgery Series titled, 'Minimal Invasive Hepatobiliary & Pancreas Surgery' edited by Dr Dhiresh K Maharjan and Prof Dr Prabin Bikram Thapa, renowned surgeons of the country, was held in Kathmandu, on November 21.

Chief guests at the event attended largely by the medical fraternity were Prof Lok Bikram Thapa and Prof Nundy who jointly unveiled the book.

Advancements and use of technology in surgery offers the benefit of smaller incisions, decreased blood loss and wound infections, shorter hospital stay and perhaps faster recovery, however, Dr Nundy cautioned about the need for stronger data and record systems to support this as a wider and preferred choice.

While Dr Dhiresh Maharjan

took the audience through the contents of this third edition, Dr Prabin Thapa gave an overview on the subject and spoke about the personal influence Dr Nundy has had on his career.

The book launch was attended by an authority on gastrointestinal surgery, Dr Samiran Nundy, Emeritus Consultant at Sir Ganga Ram Hospital in India and a Padma Shri awardee. Besides his contribution to the medical field, Dr Nundy is also recognised as a fearless critic of corrupt practice in Indian medicine and has authored the book, Healers or Predators: Healthcare Corruption in India.

Bajaj opens new showroom in Gulariya

Hansraj Hulas Chand & Co, sole authorised distributors of Bajaj motorbikes, has opened a



fully equipped new showroom called Global Automotives in Gulariya, Bardiya.

Bajaj, Nepal's bestselling and most trusted automobile brand, has launched the showroom in Gulariya with the vision of providing completely facilitated Bajaj sales, services, and spare parts across the nation. To support this vision, dealership has been granted to Chandra Deep Joshi of Global Automotives.

Zonta Club Kathmandu launches campaign against gender-based violence and child marriage



The Zonta Club of Kathmandu launched a campaign to raise awareness on the importance of speaking up against domestic violence, work/public place harassment and child marriage on November 25. The initiative coincided with the United Nations' 16 Days of Activism against Gender-Based Violence from November 25 November-December 10.

Women continue to make up the bulk of victims of abuse but often do not report it due to stigma and fear of not being believed and supported. Zonta produced four short films to deliver the vital campaign message under the slogan: Kahile kahi hoina, Kahile pani hundaina.

"Very often we hear people justify violence by saying it happens sometimes,

so let it be. These short films deliver the vital message that violence/harassment and child marriages are never okay - not one time, NOT EVER and one must speak up," said Seema Golchha, President of Zonta Club of Kathmandu. "The video, we hope, will encourage victims to seek help and let them know of the helpline options where they can safely call and speak up."

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. Zonta and the National Commission for Women have also created a 1145 helpline to provide legal counselling and support to the victims of domestic violence and workplace sexual harassment.

Nabil Bank introduces SmartPOS



Nabil Bank entered into a tripartite agreement with Daraz and imark on December 21 for the introduction of Nabil SmartPOS, an Android portable payment solution that accepts any payments anytime, anywhere. With Nabil SmartPOS, the bank has taken a major step forward in terms of enabling digital payment.

Under the agreement, customers shopping through Daraz will now be able to make payments through the enhanced smart features available within the SmartPOS. Daraz shall soon enable delivery to their valued customers through over 100+ Nabil SmartPOS. Similarly, imark has provided 4,000+ Nabil SmartPOS to the bank, which offers every benefit of a smartphone-like experience combined with secure payment solutions.

The bank is pleased to collaborate with Daraz and imark for such a major technological advancement in the sector of POS. With the addition of Nabil SmartPOS, the bank is intended and prepared for superior digital service delivery for enhancing value to the customers.

TOP PICK



Karun Shakya

Senior Marketing Manager, CG | Motocorp

Karun Shakya is the Senior Marketing Manager of CG | Motocorp, the authorised distributor of Suzuki four-wheelers in Nepal. Shakya believes that when it comes to marketing, you can be either updated or outdated, and being someone who prefers to stay at the top of his game, made all the effort needed to adapt to new emerging digital trends.

Shakya started his career as a frontline salesperson and then shifted to marketing where he has spent 15 years in the automobile industry. "My passion for wheels, since childhood, propelled me towards this industry and I haven't thought of switching to any other sector to date," he shares.

The automobile industry is a dynamic one in Nepal and comes with its own set of challenges and that's what makes it all the more interesting to Shakya. He says

that a good mentor and strong dedication have helped him accelerate his career.

In this edition of **Business 360**, Shakya shares his list of favourite brands, and what he has learned from some of them.

Top 4 apps

- WhatsApp
- Facebook
- YouTube
- Premier League

3 destinations within Nepal you want to travel to

- Everest Base Camp
- Rara
- Khaptad National Park

Women-run businesses you think deserve accolades

- PAD2go
- Nepal Knotcraft Centre

A startup business that you think will ace later

Yatri Motorcycles

An entrepreneur who inspires you
Henry Ford

A non-profit you want to contribute to
Animal Nepal

Your 3 favourite Suzuki vehicles

- Swift
- Jimmy
- Ciaz

A Nepali startup you think deserves the spotlight
epharmacy

The best work advice you have received

I think the best advice I received was at the start of my career and which I live by every day: 'Never hesitate to get your hands dirty'.

3 marketing tips that you think every marketing person should know

Have an inquisitive mindset.

With the amount of data that is being generated, a marketer should be analytical. Be willing to work with others.

Who among the Nepali influencers do you want to work with?

Mahabir Pun

A marketing guru you swear by and why?

It would definitely be Philip Kotler. The very first words of marketing most of us have learned have been written by him. He literally published the first true book on marketing principles. His quote: "The organisation's marketing task is to determine the needs, wants and interests of target markets and to achieve the desired results more effectively and efficiently than competitors in a way that preserves or enhances the consumers or society's well-being", sums it all up. **B**

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Anil Banskota

Executive Management and Marketing, B&B Hospital

A thorough marketing professional, Anil Banskota, Executive Management and Marketing of B&B Hospital, is currently overseeing the expansion of the hospital's new state-of-the-art block where the plan is to offer upgraded services and value addition to the customer experience under the banner of 'B&B Hospital Plus'. He also handles the social media marketing department to help promote services and share stories besides handling aspects of the hospital's day-to-day operations.

Banskota holds an MBA degree from Kathmandu University School of Management and a Master's degree in New Media Technology from New York University. He started his journey in advertising in 2002 with Thompson Nepal and left the industry in early 2019. Between 2007 and 2009, he also worked as an Interactive Digital Producer in New York creating interactive digital content for various agencies like Oddcast and RGA.

Banskota also sits on the board of Malpi International School providing consultative direction to its marketing initiatives. A music enthusiast, he has an album called 'Prayash' in collaboration with a friend.

In this edition of **Business 360**, he shares the five things that have impacted his life and career.

Life is a continuous process

Life is a continuous process so there cannot be one best decision but a series of crucial turning points where the decisions we take could either steer our lives towards the right direction or make us wayward. There have been many decisions that have changed me and my outlook like getting married because now I am

secure that I will have a lifelong friend to grow old with and laugh with. The decision to start a family too is crucial as I now have a son and know I have a future friend who's got my back.

The conscious decision to move back to Nepal has also been an enriching one as I get to live with my family and there is always someone or the other to share things with. One of the defining moments has also been to have the guts to quit a career of 18 years and kickstart an absolutely new version of life 2.0 for myself that I am really loving. And finally, it has to be this path of new self-discovery on how to live a healthier life through proper nutrition and exploration of health-span as opposed to lifespan.

My inspiration is finding purpose in life

The greatest inspiration has and will always be the astonishing miracle of life as I ponder and dive deeper to get a glimpse of what makes me who I am today. I would love to say it's my father, mother or god like everyone else but to me it's a collection of all that and this notion of incredibly inexplicable coincidences of nature that have shaped my being, my single unique existence – my life, the way it was conspired by nature, how my consciousness was miraculously injected into my parent, then my birth making me absolutely one-of-a-kind among the 7 billion that swarm this little planet, the astonishingly beautiful and loving family I was born into that breathed life and love into me giving me the support to grow and happiness. That is my inspiration. The astounding awe that is nature.

The intriguing notion that we have more bacterial cells than human cells and yet we call ourselves human and that we may merely be a vessel to carry the microbiotas within us that scientists are now discovering may literally dictate how well we live all begins in the gut! There is no miracle greater than our individual single-life and the wonders of nature within

and without that surround us. It fascinates me, makes me question daily my purpose in life and this to me is the greatest inspiration – being able to wonder and be curious of the unknowns in this living planet, learning and feeling alive every day like as if it were my last, extracting the most out of life to feel better, be happier every instance with gratitude.

Life is a miracle and should not be taken for granted. That we should be better today than we were yesterday and be better tomorrow than we are today and leave this planet a slightly better place in our own small way(s) than when we found it drives me every day.

Creating better versions of ourselves

We are always receiving constant advice from many sources whether it be regarding life or career. However, the best advice I have received would be to be get married as I now have a friend with whom I can grow old and we have created another miracle who gives us constant joy, friendship and interminable happiness. They say the only purpose of evolutionary life is to create better versions of ourselves and I strongly believe that to be absolutely true. Marriage has resulted in giving me and my wife the greatest joy. Above all else, it gives me a reason to wake up every morning energised and thank God for this spectacular life.

If I can put a smile on the face of anyone I come in contact with now and make their life even remotely happier, better, nicer than it was a moment ago, that would be a great success for me. Success is progressive and never perfect. It is a daily goal and never an absolute, since nothing can be absolute in a world that is relative. Success to me is visceral and not material, it's about how happy you were today than yesterday and ultimately how well you sleep at night.

Do not react immediately

At times everything goes smoothly and there are instances when we face

hurdles. The best way to deal with a difficult situation would be to not react immediately. Understand that between stimuli and response there is a split second gap that we can all use to channel negative energy into positive energy. Reacting after a slight pause and breathing out which activates our parasympathetic system, helps every time. The parasympathetic stimulates the rest-and-digest that calm our body and mind. One thing to understand is that no one ever wakes up in the morning and says, "I'm going to make life miserable for that person", unless you're a criminal or someone really messed up. So, it's good to understand and see the other person's point of view before reacting immediately. Maybe that person on the other side has had a really bad day at home, or something bad is happening in their life. Humans are all born good. Therefore, the best way to handle any difficult situation is by showing care and concern before reacting negatively.

When I was in advertising I always treated everyone including clients as friends to the best of my ability. I never tried to dictate matters to anyone. Also taking a step back and encouraging people in the creative process and giving them the benefit of doubt rather than taking all the credit seems to have worked for me. Sometimes, understanding the subject matter better than most people in the room really helps to fire-fight difficult situations since that gives you an upper hand to find a solution out of any quagmire. My advice is learning should be a continuous process no matter what industry you are in.

On a lighter note, in life, especially in marriage, praise your other half as often as you can. If you are newly married, flowers do help now and then but as time passes by, giving simple compliments now and then can mean a huge difference in how the rest of your day, week or month may turn out!

Change is the only true constant

The beauty of life is in its uncertainty and a powerful aphorism that encapsulates that idea is, 'change is the only true constant' which means a decision I made to quit advertising recently, a profession I was in for almost two decades, has definitely steered my life into a different space where I'm happier, more content and have much more time to be with my family which is my greatest source of joy and reason for being.

I would like to expand on that aspect by mentioning about the Covid 19. It affected the private healthcare system broadly in two distinct ways. At the cost of oversimplifying, firstly, the pandemic hit the business of private healthcare pretty hard and second it was learning how to adapt quickly to stay afloat. It was very difficult to keep the business running since a large hospital like ours for instance has over 1,000 employees and new expansion work happening. When the bottom-line plummets with loan burden thereof it was a mighty challenge to keep the hospital running. But we didn't lay off a single person despite the financial hardships and managed to run a lean setup. We had reasonable trauma work and also managed to run a Covid ward during the first wave and helped the community at large.

When the pandemic first broke out there was absolute confusion about how to handle the situation since nobody in the world knew – there was no blue-print to follow for hospitals, people were scared and it's only natural. Everyone figured it out through trial and error. As you are aware, many private healthcare providers stayed afloat by becoming a full-time Covid care provider hospital. Now since most hospitals have become smarter in handling Covid, I think the healthcare sector now is better equipped and prepared should there be another wave. **B**

LIVE HEALTHIER



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

Making simple changes in diet, regular exercise and managing your stress are the keys to good health and longevity. It's simple modifications that really matter rather than setting big goals which most people find difficult to stay with. A lot of living healthier has to do with how you think, what you say to yourself each day and the choices you make when stressed for time or under emotional duress. It's so easy to pick the wrong food, skip a meal or reach out for a snack even when you are not hungry, miss out on exercise, drink excessively, sleep late, blame it on some situation or the other, or assume that there's always plenty of time to get it right. Your wellbeing is really a lot about you and it shows in your body, your behaviour, and your sense of ease.

Here I have put together a really simple list that may help you live healthier:

Think positive. It sounds really simple but it really isn't. If you train your mind to catch your thoughts and stay off negativity, you will be building a healthier immune system which will help boost your overall health. It comes with practice and it is really worth it!

Eat vegetables. Raw, steamed and lightly stir fried is the best way to eat your vegetables. Aim for five

servings a day. Try to go fully vegetarian 2-3 days a week. A diet high in vegetables reduces your risk of developing several types of cancers. Go for seasonal vegetables, fresh and colourful as these are the ones with most phytonutrients.

Eat small meals often.

This is especially true for those who tend to have two heavy meals as done in most Nepali homes and then again indulge in heavy snacks. Instead opt to have five small meals through the day to keep your metabolism and energy levels steadily elevated. This also allows you to manage your weight, reduce cravings, and make healthier food choices. Know what you are putting into your body and you will make better choices.

Exercise every day. You can slow down the ageing process besides improving eye sight, lowering blood pressure and cholesterol, improving bone density and lean muscle to name a few benefits of regular and organised exercise. You will not only live longer but also have more energy and

A LOT OF LIVING HEALTHIER HAS TO DO WITH HOW YOU THINK, WHAT YOU SAY TO YOURSELF EACH DAY AND THE CHOICES YOU MAKE WHEN STRESSED FOR TIME OR UNDER EMOTIONAL DURESS.

better mental wellbeing with exercise. Even as little as 15 minutes of exercise a day can make a difference. I suggest at least 3-4 days of regular and organised exercise in a week and staying active the remaining days. If nothing, at least walk. Increase the intensity of your walk as you make progress.

Good sleep. It is one of the most essential aspects of wellbeing. We are slowly

turning into sleep deprived people, working or socialising late into the night, watching TV, drinking and eating at odd hours that affect the quality of our sleep, etc. Your body needs to feel completely rested to repair and heal. Towards this, you must ensure that you sleep at the same time approximately every night and get 6-8 hours of good sleep on average every day. If you are highly stressed, it is also a good idea to get what is now termed as power naps, 15-20 minutes of shut eye in a relaxed environment in between your hectic schedule while driving or in your office behind closed doors with soothing meditative music on.

Begin with small changes. This will allow you to progress more effectively rather than get you overwhelmed and off track. Make lists that help you with your nutrition and your exercise programme. The written word does help you achieve your goals. Don't make room for excuses, and even if you do deviate every now and then, accept it and move forward, back on schedule. **B**



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THROUGH THE MYSTIC EYE

DON'T MANAGE YOUR STRESS



Sadhguru. Ranked amongst the 50 most influential people in India, Sadhguru is a yogi, mystic, visionary and bestselling author. Sadhguru has been conferred the "Padma Vibhushan", India's highest annual civilian award, by the Government of India in 2017, for exceptional and distinguished service.

When I first went to the United States a few years ago, wherever I went, everybody was talking about "stress management." I really didn't get this because in my understanding, we manage things which are precious to us – our business, our family, our money, our wealth and our children. Why would anyone manage stress? It took me a while to understand that people have concluded that stress is a part of their lives.

Manage yourself, not your stress

Stress is not a part of your life. Stress is just your inability to manage your own system. Stress happens not because of the nature of your work. The Prime Minister is complaining of stress, the peon is also complaining of stress. In between, every other person is saying his job is stressful. And those who are unemployed also find their situation stressful. So you are suffering your job – if you get fired, will you be joyful?

No. So stress is obviously not about your job. It is just that you do not know how to manage your body, your mind, your emotions, your energy, your chemistry – you do not



know how to manage anything. You are functioning by accident, so everything is stressful. If you get into a car where if you turn the steering wheel one way, the car goes in the opposite direction, you'll be stressed.

Right now, that's the kind of mechanism you are driving. Without understanding anything about it, just by chance, you are blundering through life – so you will be stressful. Stress is not because of the nature of the activity that you are performing or because of life situations. Stress is simply because you do not know how to manage your own system. What is stressful for one person, someone else breezes through.

Changing the context of your life

So stress is just an inability to manage the inner situation,

not the outer situation. Essentially, the quality of our lives changes and transforms not because we change the content of our lives, but only because we change the context of our lives. If someone is living a beautiful life, it does not mean he is doing something different. When he wakes up in the morning, he also goes to the toilet. He also brushes his teeth. He also does the same things. But somehow, his life is magical and beautiful because of the context.

This could have happened to people when they fall in love with someone. When they fell in love, everything becomes different because the context of their life has changed. But then, once they fall out of love, again, the context of their life changes and they become miserable. Changing the content of your life as you wish may not be

possible because you need permission from the situations in which you exist, but changing the context is something that you can do willfully. You don't need anyone's permission. It is not at all situational.

On a certain day, three men were working in one place. Another man came by and asked the first man, "What are you doing here?" The man looked up and said, "Are you blind? Can't you see I'm cutting stone?" This person moved on to the next man and asked, "What are you doing here?" That man looked up and said, "Something to fill my belly. So I come here and do whatever they ask me to do. I just have to fill my belly, that's all." He went to the third man and asked, "What are you doing here?" That man stood up in great joy and said, "I'm building a beautiful temple here!" All of them were doing the same thing, but their experience of what they were doing was worlds apart.

Every human being, every moment of his life, could be doing whatever he is doing in any one of these three contexts – and that will determine the quality of his life, not what he is actually doing. How simple or complex an activity is, doesn't change the quality of your life. With what context you do it, changes the quality of your life.

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Happy New Year
2022

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“ I THINK THERE ARE CHALLENGES EVERYWHERE BUT I SEE OPPORTUNITIES IN THEM. WHEN I KEEP SOLVING CHALLENGES, I BELIEVE I GAIN MORE OPPORTUNITIES FOR PERSONAL GROWTH”



SUNIL KC
VICE PRESIDENT, NEPAL-INDIA CHAMBER OF
COMMERCE AND INDUSTRY

Sunil KC started working at the young age of 13 and close to two decades later he is the Vice President of the Nepal – India Chamber of Commerce and Industry. He is also Advisor to the International Investment Promotion Board of the Federation of Nepalese Chambers of Commerce and Industry and Member of Nepal Intermodal Transport Development Board at the Ministry of Industry, Commerce and Supplies.

KC is Founder and CEO of the Asian Institute of Diplomacy and International Affairs (AIDIA), an organisation that aims to contribute to Nepal's foreign policy and diplomacy. Under his leadership, AIDIA's multiple centres of fundraising, research projects, platform design, and outreach initiatives including stakeholder engagement have flourished since its establishment in March 2013.

He is also Chairman of Asia Corporation, an emerging commercial enterprise based in Kathmandu. He is the Chairman of AIDIA Consulting, Resident Director of Dimitris Infrapro (India), Co-founder and Director of Asia Power Trading Company and Co-founder and Director of the Ama Dablam Fund. B

KC also writes regularly for various newspapers and is member of various think tanks related to trade, economy and foreign policy.

In this edition of **Business 360**, KC speaks about what leadership means to him and

what it entails to be an effective leader.

What's your definition of a leader?

For me the definition of leadership is the process of setting a vision to create some kind of bigger impact in the society or the country. A leader should be able to see opportunities even in challenges. A leader should be able to take bigger responsibilities and promote the next generation. I think these are the qualities that a leader should have.

Is leadership in-born or can it be acquired?

I believe that not everyone is able to step up as a leader. I think the instinct for leadership needs to come from your heart. As we keep working and acquiring experiences, we are also able to build our leadership qualities. The surroundings also play an important guiding role, so leadership is not just something that comes from within. I believe that leadership can be acquired but having a natural instinct for it will definitely help overcome various obstacles along the way.

I believe my struggle is a great example of it. Around 2014-15, I came here seeking sponsorship and ran from one organisation to another. But I believed in myself and knew that one day I would create my own commercial entity. And within two years, I was able to achieve it.

Everyone I knew were established businessmen on the board of NICCI unlike me who was just an emerging entrepreneur. But I kept working hard. I think there are challenges everywhere but I see opportunities in them. When I keep solving challenges, I believe I gain more opportunities for my personal growth. Being able to convert negativity to positivity and bring people together is what I focus on in NICCI and the organisations I am associated with. You don't acquire everything in a

university, you learn new things every time through people you meet and situations you are placed in. Being able to have transformative action and positive impact are the best traits a leader should have.

Who comes to your mind as 'an ideal leader'?

If I look at it from a business perspective, Elon Musk comes to mind. Never mind the political perspective but from an innovative leadership perspective, he started with PayPal and Tesla which were his innovations. He created a pathway for all the other digital money transfer platforms that we use on a daily basis, nobody had ever thought of this before. He is far ahead of other people when it comes to innovation and creativity. For instance, we are talking about mountain tourism whereas Musk is discussing space tourism. He is just completely on a different level and I believe he is the ideal leader from an innovative perspective.

I also take inspiration from Jack Ma. He brought about

as a child reporter with Radio Swargadwari FM, Gorahidhara and writing stories while I was still studying in school. Then there were only three radio stations: Radio Sagarmatha, Radio Madanpokhara Palpa, and Radio Swargadwari Dang. What I decided was that if I was able to break this story that evening at 6 pm, I could raise a lot of awareness. If I could take a byte from Chaudhary as well, I had a strong feeling that he would have to let go of the captive teens. I had to go there and record for an hour from a telephone booth during a curfew. That evening at 6 pm the story was aired. It was about 3-4 minutes long and included interview snippets of the families whose kids were taken from them along with the interview with Chaudhary. And 24 hours after that story was aired, they let go of the teens. It made me believe more in myself.

After the Maoist insurgency, there was a decade-long gap for the Maoists who were in the cantonments in the jungle and then reintegrated back into

“WITHOUT THE RIGHT TEAM, I DON'T THINK AN INSTITUTION CAN STAND ON ITS OWN. AND YOU NEED THE RIGHT TEAM MADE OF PEOPLE WITH DIVERSE BACKGROUNDS AND ONLY THEN CAN A SOCIETY AND COUNTRY PROSPER. I THINK HAVING THE RIGHT TEAM IS EXTREMELY CRUCIAL.”

a revolution in e-commerce. Without any IT background, he was able to achieve so much on the internet space.

Could you share with us any incident that tested your leadership ability?

When I was around 15 years old during the insurgency period, Indrajit Chaudhary was in charge of the Maoists in Dang. He literally took away teens from my village to join their army. At that time, I was working

the community. We decided to provide a course on leadership in collaboration with the University of San Diego and an NGO to almost 450 cadres from two camps.

The decisions to do things like this didn't just come about on their own, I genuinely wanted to be able to make a positive impact in society. I think, in retrospect, it was my leadership abilities even at that young age.

How important is it to have a good team to work with?

Without the right team, I don't think an institution can stand on its own. And you need the right team made of people with diverse backgrounds and only then can a society and country prosper. I think having the right team is extremely crucial.

When should a leader hand over the leadership position?

I believe when you are in the leadership position, you should be focused on nurturing a leader who is smarter than you and provide exposure and encouragement to the next generation. When I can firmly believe that they are capable of leading an institution and are interested, irrespective of the time period it might take, I think that is the moment when a leader should hand over their leadership position.

Let me tell you a story. I had a female friend who studied with me. She asked me to teach her younger sister some work and I told her to come to my institution. She was very quiet back then as an intern. I encouraged and groomed her to study International Relations. She later went to China for higher studies and now she runs one of my institutes as a leader; all this within a time period of 4-5 years. The point is, both the parties need to be interested and an effort must be made from both sides.

I think I am the youngest member of NICCI as its Vice President. I could have been President as well but I decided that I have a lot to learn yet and only after gaining the requisite experience will I run for President. While I am in this position, I want to be able to do impactful work.

What major challenges has Covid 19 brought to businesses?

Covid has definitely had a worldwide impact, but what I believe is it has brought about a digital revolution. For instance, we used to go to the embassies to obtain our visas, but now



they come on our emails within half an hour. Similarly, we used to go to banks with cheques and to ATMs, but QR codes have easily replaced them. What I mean to say is that were it not for Covid 19, I doubt the digital revolution would have accelerated this quickly. For instance, if someone wants a marriage certificate or a divorce certificate, they can easily get it digitally. This has already started being applied in various countries such as Azerbaijan. We are basically trying to implement e-governance model in Nepal, we have already worked out the proposal and soon it will come into effect. We started that back in 2018, but I believe Covid is helping to bring it about much faster.

I think the main challenge Covid 19 has brought about is the impact it has had on human health. I believe a lot of people have been mentally distraught and there is this fear inside them about Covid 19. We belong to a developing

“ I THINK I AM STILL IN THE LEARNING PHASE. HOWEVER, I BELIEVE THAT IN A 28-YEAR-OLD ORGANISATION LIKE NICCI, I AM WORKING AS THE YOUNGEST VICE PRESIDENT WHICH I CONSIDER IN ITSELF AN ACCOMPLISHMENT.

nation where people live on daily wages or look for foreign employment opportunities. This part of the population is highly impacted rather than people who are well off. I think for this reason, the government should focus more on Covid recovery programmes for small and micro enterprises and daily wage labourers.

The trade deficit with India has been widening every year. What can be done to minimise the gap?

I believe the main objective for establishing NICCI was to facilitate trade between Nepal and India back in 1993. Promoting investment and business, strengthening each other's economy, and facilitating transit between two countries are a few other objectives that NICCI has been focusing on since almost three decades. I think as either business persons or the government, we always started the conversation as India being our largest trading partner rather than them being our largest export partner. We never developed a narrative where we not only import from India but also export to them. And in order to fill this gap, we should identify domestic products and see which are our export strengths especially for markets in either China or India. Currently, the fastest means to minimise the gap for Nepal is hydropower. If we invest more

in the energy sector, I think it will be the best component to minimise the trade deficit. Secondly, I don't think we've done enough promotion of Nepal tourism as we should be doing. And thirdly, all the herbal products that are highly valued products of Nepal, have immense potential for export.

What do you consider your most significant accomplishment as a leader?

I think I am still in the learning phase. However, I believe that in a 28-year-old organisation like NICCI, I am working as the youngest Vice President which I consider in itself an accomplishment.

I started a foreign policy think tank which I was able to turn into a successful foreign policy institution which has been able to impact the foreign policy spectrum.

Besides these, I would say I still have a lot left to accomplish. **B**

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