

LAY OFF THE LAYOFF FEAR

THE UNSEEN COST OF GOVERNMENT
LARGESSE

GOLD & INFLATION : THE LINK

VOL 11 • ISSUE 4 • FEBRUARY 2023 • RS 100

B^{360°} BUSINESS

**IS NEPAL
DOING
ENOUGH
TO ENSURE
AIR SAFETY**

**SMALL BUSINESS
HIT HARDER IN
ECONOMIC
SLOWDOWN**

**CHATGPT:
CAPABILITIES,
LIMITATIONS &
THE FUTURE**

**PUTTING HIS
STAMP
ON THE
WORLD**

KIRAN BHAKTA JOSHI
FOUNDER & CO-CEO
INCESSANT RAIN





SIR EDMUND HILLARY AND TENZING
NORGAY, 1953 FIRST SUCCESSFUL
ASCENT OF MT EVEREST



CHRISTINE JANIN, 1990
MOUNTAINEER AND
POLAR EXPLORER



NATIONAL GEOGRAPHIC
AND ROLEX PERPETUAL
PLANET MOUNTAIN
EXPEDITIONS, 2019

COME WIND, HAIL OR TEMPESTS

Its name says it all. The Explorer was inspired by those who first summited the Earth's highest peaks. Like them, it is able to endure these most strenuous conditions. However sober and smart this watch may be, it is precisely the tool these adventurers need. Amidst the chaos of the unknown, what these men and women require is reliability and above all, simplicity. Something reassuring, efficient and instantly legible, to ground them even if nothing else around or within them does. This watch embodies just that. An unremitting teller of time, come wind, hail or tempests, that will see one's own adventure to its pinnacle. **The Explorer.**

#Perpetual



OYSTER PERPETUAL
EXPLORER

OFFICIAL ROLEX RETAILER

Regency Watch

ANNAPURNA ARCADE
DURBAR MARG
MGA INTERNATIONAL PVT. LTD.


ROLEX



BEACON ON Wi-Fi FULL ON

Not Just a Secondary Router



One Beacon Gets 4 Jobs Done

- Mesh Wi-Fi ✓
- Wider 5GHz Coverage ✓
- Uninterrupted Speed ✓
- Seamless Experience ✓

9801523050

f wlink.np @ wlinkcommunications

 www.worldlink.com.np

TITONI.CH



SWISS MADE

TRUE
QUALITY
TIME
SINCE 1919



SEASCOOPER
83300 5-BK-702


TITONI
OF SWITZERLAND


SWISS TIMEPIECES

DURBARMARG | BESIDES WOODLAND COMPLEX | KATHMANDU
PHONE: 9840003537 | FB/IG: @SWISSTIMEPIECESNEPAL
WWW.SWISSTIMEPIECESNEPAL.COM

HUBLOT



Regency Watch

ANNAPURNA ARCADE
DURBAR MARG
MGA INTERNATIONAL PVT. LTD.

hublot.com • f • t • i

CLASSIC FUSION

Titanium case.
Self-winding chronograph movement.



A man immolated himself near the parliament in hopeless rage against the futility of his circumstances, the indifference of society, and the corruption in government. He hit the headlines and all social media streams for some days until the next headline took over. It is said that his last desire was that he wanted to live.

His wife, child and family will carry his memory like a wound that may never heal. Before the flames of protest devoured him, he made a list that demanded the attention of the government, the law makers and civil society. This list is no different than the list of millions of Nepali citizens who face the same burdens, challenges and pains of living in a country that has been faced with severe lack of visionary and committed leadership over the past decades. Nepal has been mired in poor government decision making, unstable politics, corruption and an economic divide that leaves a huge population in the jaws of near poverty.

A country whose economic resilience lies in the blood and sweat of the young labour force that leaves the country for foreign shores and an undecisive future, where remittance has been the strength in times of economic uncertainty, where the youth do not foresee a future of secure, dignified livelihood opportunity... it is mere rhetoric what politicians feed its citizens when they talk about nation building.

For those micro, small and medium entrepreneurs in the country making an effort to build something, the policies remain unfavourable, the banks akin to loan sharks and the markets unpredictable with major business houses ruling the game.

Immolation is an act of both despair and defiance, unmatched by any other form of suicide. And despite the element of self-sacrifice, I personally do not agree with suicide. Nothing is greater than the gift of life and while there will always be challenges and sometimes, situations where we see no solution in sight, it must not allow you to stop fighting, to seek solutions, to continue believing. However, I do sympathise with late Prem Prasad Acharya and can only offer prayers.

I researched the causes of self-immolation on the internet to understand his act and found this paragraph from an article in *The New Yorker* by James Verini in 2012 which compelled me to think. It states: *Why? What motivated them? I put the question to any number of historians of self-immolation, but the best answer came from a scholar based in Washington, DC, Timothy Dickinson. "Fire is the most dreaded of all forms of death," he said, so "the sight of someone setting themselves on fire is simultaneously an assertion of intolerability and, frankly, of moral superiority. You say 'I would never have the guts to do that. It's not that he's trying to tell me something, but that he's commanding me.' This isn't insanity. It's a terrible act of reason."*

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

Charu Chadha
editor

BIZ INDICATORS

FOREX MARKET	21-Feb-23	18-Jan-23	Year ago
USD	132.55	129.98	119.19
GBP	160.58	160.43	162.08
Chinese Renminbi (Yuan)	19.29	19.25	18.82
Indian Rupee (INR 100)	160.00	160.00	160.00
Euro	141.11	141.07	134.81
Australian Dollar	-	-	-
GOVERNMENT SECURITIES	Lowest	Highest	Weighted Avg.
Discount rate of T-bill (Subject to latest issuance)			
Treasury bills (28 days)	5.37	7.45	5.90
Treasury bills (91 days)	9.50	10.50	10.22
Treasury bills (182 days)	9.50	11.44	10.54
Treasury bills (364 days)	9.20	10.34	10.09
PRICE INDICES	Jan 22/23(p)	Dec 22/23(P)	Jan 21/22(p)
National Consumer Price Index (base year 2014/15 = 100)	155.36	156.87	144.84

Source: Refinitiv Eikon, Nrb

P = Provisional, R = Revised

Compiled for Business 360° by



BUSINESS 360°

publisher
media9

directors
hemant golchha
saurabh jyoti
sanket lamichhane

editor
charu chadha

editorial
assistant editor
anurag verma
writers
sadiksha chitrakar
bishal bhattarai

digital
content manager
suresh kumar chaudhary
content producers
harshvardhan chand

art
senior designer
bikram chandra majumdar

designers
babu maharjan
yogesh chaudhary

photography
photographers
gokul shrees (rana) magar

sales & marketing
director
sudeep shakya
manager
dewaki makaju shrestha

office support
bella rana magar
ram kumar tharu

All editorial enquiries should be sent to
charu@media9.com.np

All advertising enquiries should be sent to
marketing@media9.com.np

Business 360° is published monthly from Kathmandu, Nepal
by Media Nine Pvt. Ltd., Kathmandu, Nepal
Tel: 4510440 | Email: editorial.b360@media9.com.np

All materials © Business 360°

A note to readers

The views expressed in articles are the authors' and not necessarily those of Business 360°. Authors may have consulting or other business relationships with the companies they discuss.

While every precaution is taken, no responsibility is assumed for the return of unsolicited material. All opinions expressed herein are those of the writers and do not necessarily reflect on the publisher. The contents may not be reproduced in any form without the prior consent of the publisher.

All rights reserved.

Publisher – Media Nine Pvt. Ltd.

CDO Regd. No 31/069/70

Printed at : Saugat Printers Pvt. Ltd., Tel.: 9849431415
Newstand : Kasthamandap Distribution Pvt. Ltd.
Newroad. Tel: 4247241



HOTELS NEED TO BE RECOGNISED AS AN INDUSTRY AND BE EXTENDED SUBSIDIES AND EXEMPTIONS THAT ARE CURRENTLY NOT BEING PROVIDED LIKE ON PROPERTY TAX. SUBSIDIES ARE NOT BEING PROVIDED ON ELECTRICITY TARIFFS TOO.

TASHI GHALE
Chairman
Hotel Royal Singi

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


ZENITH
THE FUTURE OF SWISS WATCHMAKING SINCE 1865

TIME TO REACH YOUR STAR



Regency Watch

ANNAPURNA ARCADE
DURBAR MARG
MGA INTERNATIONAL PVT. LTD.

DEFY
EL PRIMERO 21



IN THE LEAD PUTTING HIS STAMP ON THE WORLD

KIRAN BHAKTA JOSHI
FOUNDER & CO-CEO
INCESSANT RAIN

EVERY OTHER DAY THERE IS ALWAYS NEW SOFTWARE AND TECHNOLOGY BEING INTRODUCED. IF WE STICK WITH DOING ONLY WHAT CLIENTS ASSIGN US, THEN WE WILL BE CONFINED WITHIN THAT CIRCLE. WE ARE TRYING TO COLLABORATE WITH THE UNREAL ENGINE CONCEPT OF EPIC GAMES, WHICH IS A MULTI-BILLION-DOLLAR COMPANY AND A PLATFORM FOR GAME DEVELOPERS.

24

SMALL BUSINESSES
HIT HARDER IN
ECONOMIC SLOWDOWN



OPINION

32

COST OF PUBLIC HOLIDAYS TO THE
ECONOMY

34

IS NEPAL DOING ENOUGH
TO ENSURE AIR SAFETY

FEATURE

80

"WE HAVE BEEN ABLE TO CREATE JOBS FOR 70,000 KHALTI AGENTS AND 300+ TEAM MEMBERS. WE HAD MANY UPS AND DOWNS AND MANY CHALLENGING SITUATIONS. HOWEVER, OUR TEAM NEVER STOPPED BELIEVING AND TODAY, WE SERVE MORE THAN THREE MILLION NEPALI PEOPLE. THESE ARE OUR ACCOMPLISHMENTS, AS A TEAM"

Amit Agrawal

Co-founder & Director, Khalti

LEADERSHIP

WRITE TO US AT
editorial.b360@media9.com.np



LIKE US ON
Business360nepal



ON THE COVER
KIRAN BHAKTA JOSHI
PHOTOGRAPHER
GOKUL SHREES
COVER DESIGN
BIKRAM MAJUMDAR

Elegance is an attitude

Regé-Jean Page

LONGINES



Regency Watch

DURBAR MARG

MGA INTERNATIONAL PVT. LTD.
Sole Agent & Authorized Service Center



HYDROCONQUEST



38

"NEPAL IS SURROUNDED BY TWO OF THE TOP FIVE ECONOMIES IN THE WORLD AND ONE-THIRD POPULATION WITHIN ITS CLOSE RADIUS. AS THE GLOBAL ECONOMY REELS FROM ENERGY CRISIS, THE DEMAND FOR CLEAN ENERGY HAS INCREASED WITHIN THE REGIONAL BLOCKS TO SUSTAIN THEIR ECONOMIC GROWTH. NEPAL SHOULD SEEK THIS OPPORTUNITY TO ATTRACT INTERNATIONAL INVESTMENTS IN THE ENERGY SECTOR AND ARRANGE TO BUILD A CLOSER INTEGRATION WITH THE SOUTH ASIAN MARKET, ESPECIALLY INDIA, TO FUEL THEIR INCREASING DEMAND FOR CLEAN ENERGY."

Sunil KC

CEO, NMB Bank and President of Nepal Bankers' Association

FACE2FACE

44

"CURRENTLY EXISTING MUTUAL FUNDS THAT HAVE COMPLETED MORE THAN FIVE YEARS AND THOSE MUTUAL FUNDS THAT HAVE ALREADY MATURED IN NEPAL HAVE PROVIDED AN AVERAGE ANNUAL RETURN OF 15.76% INCLUDING BOTH CAPITAL GAIN YIELD AND DIVIDEND YIELD. THE AVERAGE TOTAL YIELD OF THESE FUNDS IS MORE THAN 85%. ADDITIONALLY, IF WE SIMPLY CONSIDER MUTUAL FUNDS THAT HAVE ALREADY REACHED MATURITY, THEY HAVE GIVEN THEIR UNIT INVESTORS AN ALLURING AVERAGE ANNUAL RETURN OF 24.12%. HOWEVER, THE AVERAGE ANNUAL RETURN IN THE FIXED DEPOSIT RATES PROVIDED BY BANKS AND FINANCIAL INSTITUTIONS (CLASS A, B AND C) IN THE PAST SEVEN YEARS (2015-2022) IS 8.57% AND THE AVERAGE ANNUAL RETURN FROM THE MUTUAL FUNDS TRADED IN NEPAL STOCK EXCHANGE IS 15.76%"

Sachindra Dhungana

Deputy General Manager, NIBL Ace Capital

ETC

"DIGITAL IS DYNAMIC, SO THE THREAT IS IN THE DYNAMISM WHICH MEANS THAT THERE WILL BE SOMETHING WHICH IS GOING TO CHANGE EVERY DAY. THINGS ARE CHANGING. SO, I THINK DYNAMISM IS THE MAIN ISSUE AND I WOULD NOT ACTUALLY CALL IT A THREAT. IT IS JUST THAT CONTINUOUS CHANGE IS SOMETIMES DIFFICULT FOR A LOT OF PEOPLE, AND I THINK IN DIGITAL THAT'S WHAT YOU NEED TO KNOW"

KARAN SHAH

Founder & CEO, Indian Institute of Digital Education

30 | BUSINESS SUTRA

54 | BEED TAKE

56 | COMMODITY PERSPECTIVE

58 | LEGAL EAGLE

60 | BITSNBYTES

62 | NATIONAL

COLUMNS

30 | BUSINESS SUTRA

Lay Off The Layoff Fear

56 | COMMODITY PERSPECTIVE

Gold & Inflation The Link

58 | LEGAL EAGLE

IT Sector Growth: Enabling Policy A Must

60 | BITSNBYTES

ChatGPT: Capabilities, Limitations & The Future

74 | BESIDES BUSINESS

- TOPPICK
- HI5
- GET FIT

NUDE[™]
SUPERIOR VODKA



I'M BOLD

I'M NUDE

#JustBeYou

PUTTING HIS STAMP ON THE WORLD

KIRAN BHAKTA JOSHI FOUNDER & CO-CEO, INCESSANT RAIN

With over three decades of experience in the animation industry and involvement in over eighty Hollywood movies, Kiran Bhakta Joshi, Founder and co-Chief Executive Officer of Incessant Rain is driven by creativity, passion, innovative visual technology, and his stellar ability to merge the real with the unreal.

Prior to establishing Incessant Rain, Joshi was the Visual Effects Supervisor at The Walt Disney Studios where he worked on films such as 'Beauty and the Beast', 'Aladdin', 'The Hunchback of Notre Dame', and 'The Lion King', to name a few. He was also involved with the early development of 'Tangled' and 'Frozen' at Disney before leaving to establish his own studio. Incessant Rain was first set up in 2008 as an animation and VFX company but over the years has expanded to become an original content creator and production company. The project portfolio of the studio today includes VFX services, animated features, and original content for global audiences.

At present, Joshi is focusing on creating content that is local but appeals to the global audience. "Squid Game was a massive hit among the audience due to its original content. We too are developing some local stories like the 'Yeti Man' and 'Gurkhas vs. Ninjas'," he shares, adding that the demand for such content is only on the rise. The global animation market is estimated to reach a value of \$587.4 billion by 2030.

At Incessant Rain, Joshi is also attempting to create an equitable workplace. He has laid emphasis on ESG in the company and developed a culture of diversity and inclusion along with a strong focus on coaching and idea culture.

Joshi in conversation with **Business 360**



When you got into animation, it was not a sector that people would give serious thought to as a career. What led you to it?

When I left Nepal to go and study in the United States, I was only 19 years old and to be very honest I had no idea about animation. As a kid we used to watch a lot of animated series and get fascinated by it but that was it. Back then, parents wanted their children to study medicine or engineering but I wanted to do something different and decided to study nuclear physics which was relatively an unknown subject here. I, thus, applied for an undergraduate programme in nuclear physics and was accepted. But one day before college started, I was walking down a street and I noticed a crowd in one of the stores. They were flocking around these small boxes which apparently were IBM personal computers. At that moment I hadn't even heard of one. I walked into the store and they were displaying a few things. I found it so interesting I immediately went to the college and changed my area of study to computer engineering and got into computer graphics.

After graduating, I started working in a company that used to make mini computers that were being used by banks and traders. After having worked for five years in that firm, one day I noticed a job opening for a software developer in Disney. At that time Disney was transitioning from traditional hand drawing to digital drawing. Previously, all the sketches used to be made manually and later painted. When I went for the job interview, I found out that there were more than a hundred applicants for just three slots. It was quite disheartening to see so many applicants because I knew nothing about animation and thought I didn't stand a chance. However, I went through the process and was luckily selected.

My first assignment in Disney was for 'Beauty and the Beast' where I helped create some digital aspects. Though I was into programming and still learning, I was more fascinated by the art side. For 'Beauty and the Beast', I provided the software component to support the animation. Then after a few months they were putting together a team for 'The Lion King'. They had selected a director, producer and a small team. One of the challenges that cropped up in the movie was creating the sequence for the wildebeest stampede. They realised it was not possible to do so by drawing it manually and it had to be done digitally. So, they put a group of us together and said that while they were developing the story we needed to resolve that problem. As fate would have it, I was one of the key people in the team who helped create that particular sequence. This basically made me stand out in the company. Otherwise, I was just somebody who was writing codes. I got recognised and was promoted as the computer graphics supervisor. In the process I started learning animation and became more interested in it. Then I worked on 'The Hunchback of Notre Dame', 'Atlantis: The Lost Empire' and 'Tangled' which initially was titled 'Rapunzel'. I also worked on 'Frozen', which was initially named 'Snow Queen'. Over time, I became one of the few they would single out to solve problems that were very difficult.

You were associated with a globally renowned company and a secure career in the US, what made you come back to Nepal and start Incessant Rain?

While still working in Disney, in 2007, I got a call from Nepal informing me about my brother-in-law's death. I, thus, had to accompany my nephew and niece for the final rites as they were still small. After the last rites were over,

they returned but I decided to stay back for a couple of weeks to visit friends and family. It was then a friend asked me why not give a thought to starting an animation studio here. I had previously never given it a serious thought but when my friend gave me that suggestion, it got me thinking. I started thinking of whether we had the required talent and skillsets in Nepal.

There was a company called Transcube where they were training people in animation. They wanted to get something going so I went to meet the owner of that firm. There were many youngsters there and I started talking to them. In the meantime, I extended my leave for three weeks to get a better understanding of the situation here. During those three weeks, I saw amazing portfolios of many young people who were mostly in their teens. I saw some spark but was still not convinced. It was just a couple of days before I had to return, I met a 19-year-old boy and the work he showed me was very impressive. What was even more remarkable was he was a self-taught kid. I was complimenting him and instead of thanking me, he was very upfront and told me that if someone like me did not create a platform for people like him then the next time I came to Nepal I would probably bump into him in a bank. Animation was something he was passionate about but due to the pressure from his family he was studying management.

That incident really hit me hard. When I had gone to the US, I was the same age that he was but at that time I didn't know what I wanted to become and here was this young guy who knew exactly what he wanted to do if given the opportunity. That conversation was so provoking I went back home and spoke to my wife about giving the idea of starting a studio here a shot. I had met

around 25 people and the next day I called 19 who I thought were good. We met and I told them that this is the right time so I will return and by January we will have an animation studio here and you guys will be a part of that. They did say okay then but later I found out that none of them believed I would come back. Before I left, I hired an interior architect and we chose a place and our first office was located in Naxal.

What were the initial challenges?

Like I had promised the youngsters I came back in January and we started with a team of 20 people. As I was putting together the team, I was also teaching them and initially I thought that would be the most difficult part. However, they were quick to pick up the tools and techniques. The biggest challenge was communication. I used to organise brainstorming sessions and I realised I was the only person speaking in the room; there used to be no contribution at all from anyone. So, one afternoon I decided to take them all to a café in an informal setting and soon everybody was talking. I had to literally ask some to stop speaking. The first lesson I learnt was that we Nepalis are very structured with many rules of obedience and people would not speak freely to their seniors in an office setting. It took me quite some time to break that barrier.

The other challenge was that after six months I realised we couldn't keep investing in the company with no earnings. So, I went back to Disney and requested Don Hahn, a reputed producer who worked in 'The Lion King', for some work. Initially, he was a bit sceptical on whether our team in Nepal would be able to fulfil the assignments. He thought I would take work and then outsource it to another company in India. He jokingly told me how could we have



I met a 19-year-old boy and the work he showed me was very impressive. What was even more remarkable was he was a self-taught kid. I was complimenting him and instead of thanking me, he was very upfront and told me that if someone like me did not create a platform for people like him then the next time I came to Nepal I would probably bump into him at a bank.





a studio where there are yaks running around and no electricity. But that was a fact. At the time we were having to deal with 18 hours of load-shedding but I couldn't tell him that. The first project I got was from Disney which was 'Mickey Mouse: The Diwali Project'. We were given an eight-week deadline to complete it and I told my team that we had to finish it within the deadline whether we had to work day or night. Though I didn't tell the team I was really scared that if we couldn't pull it off then I would have to pack my bags and leave.

The first project was very crucial for me not only to get the company up and running but also to prove that the decision to leave a secure job and open a company in Nepal would not go in vain. My friends were sceptical of my decision and I had to prove them wrong. It was a hectic period and for the last 12 days we slept in the office to finish the project. It was the first time my team members understood the concept of what a deadline is. In the movie or TV industry all the dates are slated. If a movie has to be released on a particular date it has to be and it is the same with the TV series. With other types of jobs if you don't meet the deadline, you can push it by a couple of days but not in the movie industry. So, the team not only learnt about deadlines but also about how this is such a collaborative thing. From there we have been growing as a company.

How has Incessant Rain evolved over the years?

We started with 20 people and within a year we were 35. It was difficult because I had to train the people myself. There are some animation academies here but they only teach the tools and not the fundamentals. Growth was slow but soon we outgrew the office space and shifted to another location

by when we had 70 staff members. Our philosophy was to bring in young people who are passionate and put them through an internal training for five to six months and when they make it through that, we bring them to the production. We provide the training free. Initially, we hire them as interns and after three months of internship they start working full time.

Obstacles are always there like at times a client comes to us to produce an 80-minute film and at times some come with a short movie but want it immediately. So, the tricky part was that at times projects would come and we didn't have the resources and then some small ones wanted it immediately. I realised we needed to diversify and added visual effects. Also, there is more work in visual effects than in animation or cartoons. Every movie has some sort of digital content whether it be creating an explosion or a fire. So, we further grew and moved to another site by when we had 130 employees. In the last eight years we have been in the current location, and we have over 200 people. Our growth has been organic.

We did suffer during Covid because we could not organise training programmes. It was a challenging phase and we started making documentaries and developing our own stories. I soon realised I wouldn't be able to handle everything on my own because the industry was going through rapid changes. So, in 2021, I asked a friend, Deepa Chipalu Joshi, if she would be willing to join us and thankfully, she quit her job and joined us. Previously, I was the founder and the CEO but when she came in, I decided to divide the role equally and we were both co-CEOs. I look after production, technology and creativity aspects and she is responsible for training, finance, HR, operations and all those aspects because she comes

If the younger generation can come up with crazy creative ideas, then Nepal will be on the global map of films. That is important, not just doing a job but taking your stories to the world.

from a business background. But more than that, I wanted to send a message about equality.

Across the corporate world, we can notice that very few women occupy senior positions. So, I don't want an environment where a female would be reporting to me. I wanted to set that example right from the top. Also, all the employees will feel we are equal regardless of our gender. We also started introducing gender justice programmes in the office and encouraging female artists. What usually happens in Nepal is most women sacrifice their careers after they get married but we have to understand that a career is as important



Across the corporate world, we can notice that very few women occupy senior positions. So, I don't want an environment where a female would be reporting to me. I wanted to set that example right from the top. Also, all the employees will feel we are equal regardless of our gender. We also started introducing gender justice programmes in the office and encouraging female artists. What usually happens in Nepal is most women sacrifice their careers after they get married but we have to understand that a career is as important for a female as it is for a man.

for a female as it is for a man. We have lost many promising female employees solely due to that reason. Deepa started rummaging through our list of former women employees who had left for that reason, and we were able to convince former women artists. Renu Shrestha is an example of that effort. Initially, Renu was apprehensive about joining because it had been a few years since she had quit and lacked the confidence but now, she is with us and her performance is fantastic. In our own small way, we are trying to bring about positive change.

A woman's career is as important as a man's, and that is something everybody needs to understand. So, we branded our company as an ESG firm. However, when we speak about gender it is not only about women but also men and the LGBTQIA+ community. What we are trying to do is promoting more opportunities and educating the human resources. And it was an honour to be invited to the Annecy International Animated Film Festival in France in June 2022, which is the Cannes of animation, where our co-CEO, Deepa Chipalu Joshi, made a presentation on what we were doing in terms of gender justice among all the studios in Southeast Asia. We are also trying to bring in Women in Animation to Nepal. Women in Animation is a not-for-profit based in the United States. It is a very powerful organisation which is promoting female directors, art directors, skilled artists, and it also works to promote professionals of the LGBTQIA+ community.

Can you share your thoughts about the Incessant Rain Academy...

The industry has changed so much now. About a decade back the streaming industry took foothold around the world. There are so many streaming platforms these days. Previously, the content we used to make was seasonal

for the spring and fall seasons and there used to be a gap in the summers. Also, we had limited number of theatres. Now if you observe there is continuous demand for content which means this industry has boomed. So, the demand for content has grown exponentially and the biggest challenge now is the shortage of digital artists. So, the academy was opened to fill that void.

What is really changing the landscape at present is the evolution of the metaverse. The future I will emphasise is the metaverse. When the internet was first launched around 25 years back people were still stuck with the traditional ways of doing things but over the decades it gathered so much pace that now you cannot imagine a company without a website, an online presence. Similarly, right now people are talking about privacy, security and abuse of system while referring to metaverse but the fact is that it is not going to go away. It is just going to grow. Due to that there is a shortage of talent. Around 30 years back, there was a shortage of software developers and companies like Microsoft and IBM had to rely on India for computer programmers. Initially, they used to hire Indian talent on short-term contracts but the demand just kept growing and they had to set up offices in India itself. I see that is what is going to happen in the digital artist sphere. Previously, we had one TV and all family members would watch one programme but now every individual has a mobile device and are watching different shows. So, the demand for content has grown which means that somebody has to create that. The next big bang will be digital artists.

Training 60 people a year in our office is not going to suffice. We need more manpower. So, we opened Incessant Rain Academy and our goal is to

have 1,000 digital artists in the next four years who can be utilised either for our company or other companies. If we have a large talent pool here, we will also be able to bring more work to Nepal. The largest segment of the population here is the youth, most of whom are going abroad for better opportunities. We believe we can stop this trend of talent taking flight from the country through this initiative. At present, we are not affiliated to any university but ultimately, we will associate ourselves with a well-recognised animation school in the US. When Walt Disney opened his studio, he faced the same problem of a shortage of animators and to cope with this issue he opened CalArts school. CalArts has churned out the finest talents in Hollywood like Tim Burton for example. I hope one day graduates from our academy will be the Nepali equivalent of the Tim Burtons in the world.

Any person joining our academy will learn many tools and techniques but above it all, I want them to keep the creativity alive. I want them to create stories, make films, and take it to the world. If the younger generation can come up with crazy creative ideas, then Nepal will be on the global map of films. That is important, I feel, not just doing a job but taking your stories to the world. Create something that can be enjoyed by the global audience and do not limit your creativity for local market consumption only. We have been consuming what is being made outside the country for a long time and I believe it is time we create something that the world wants. That is why I opened the academy. I know it is important to study, be trained and get a job and be financially stable but at the back of the mind, your fundamental drive should be to create something that you can highlight to the outside world. Don't limit yourselves.



What is the concept behind the 'Yeti Man', 'Gurkhas vs. Ninjas' and 'Frostbite'?

I have been involved in scores of films and you can see so many movie posters adorning the walls of our office. They are important because they are our bread and butter. But my passion is really about how do we take stories outside that we take for granted here. When we talk about Yeti, most people here say it is a *banmanche* (somebody who lives in the jungles). People from outside Nepal view it as a monster. However, I see Yeti as a brand which we can show to the world as a superhero. The story we are developing has a strong message. It is a big-money project with a budget of \$15 million and we are receiving funding gradually. Hopefully we will be able to complete the movie soon.

The 'Gurkhas Vs. Ninjas' is more about creating shorts and putting them up as episodes. One of the reasons why we are doing that is to explore technology. Every other day there is always new

software and technology being introduced. If we stick with doing only what clients assign us, then we will be confined within that circle. We are trying to collaborate with the Unreal Engine concept of Epic Games, which is a multi-billion-dollar company and a platform for game developers. They are the number one player in their segment and have a huge market. When we went for the Annecy International Animation Film Festival, we met the Vice President of Epic Games, and talks are being held to use their technology for our films and TV shows. In fact, they have trained 25 of our artists. We are doing that to build our skillset and going forward we will look into it more.

'Frostbite' is a live action film written by my friend, Zack Stentz, who is a co-writer of Marvel blockbusters such as 'Thor' & 'Xmen: First Class'. Incessant Rain is partnering with his production company, Electric Brain Entertainment on the film. 'Frostbite' is a Nepal-set suspense thriller and 95% of the film will be shot in Nepal with many Nepali actors and crew.

Where do you see the animation industry heading in the future?

May be not in Nepal but every movie being produced these days has a digital aspect, whether it is visual special effects or animation. Recently, Netflix used Artificial Intelligence to create a three-minute short anime. I would like to reemphasise that metaverse and artificial intelligence are here to stay. Initially, when we started using computers to make cartoons, traditional artists would complain that we are taking away their work and it is not good for the art sector. But what everyone is realising now is that you can do things which you would not have been able to earlier. Those who embraced technology are doing good. Technology is always going to move ahead and what

I would say is any company, no matter which sector, has to embrace technology. The demand for digital artists is only going to rise.

Anything you would like to see changed for a better business environment?

A lot of people in Nepal do not understand the work we are doing, or some don't even know for that matter. But when I go to the US, I tell the people there that in a place like Nepal you have a small piece of Hollywood. What people are seeing worldwide, a small piece is being done here in Nepal. These are small things people do not realise. And when I am there, people ask how it is like to do business here. I tell them it is like in any country with the usual challenges but when you look at it realistically, Nepal is one of the worst places to start a business. Over the last 15 years we have grown from 20 staff to just over 200 but what I can confidently state is if I had set up this company back then in India, we would have had 1,000+ people now.

One problem is the resource crunch. To make it worse every step here is like a hurdle. The government here seems oblivious to what is needed to better the business climate. During Covid when we had to stay home, at times, I used to get this feeling of why I set up the company in Nepal. If I had opened it in India, I would have had 1,000+ artists. At times you get this feeling but again Deepa reminds me that I did not start the company to only earn money but because that little boy sparked something within me; to create jobs and help uplift youngsters here. However, the government doesn't understand this. Moreover, we are a company that brings in dollars, and yet the government doesn't realise this fact. If anything happened now, we could take this company to India and within a month it will be completely transplanted there

with no presence here because this business is all about relationships. It is not a factory. I am dependent on clients and knowledge. I can take some key people from here and hire some there and within a month or two we could transition. The government creates obstacles in even taking dividends.

The other problem is related to some sector specific policies. People often ask why I don't make films in Nepal. The problem is I am not allowed to make one. As an FDI company I am not allowed to make a Nepali movie. The film industry in Nepal is run like a syndicate type of business. Any policy, I would say, is influenced and those making movies here have used that influence to introduce policies that restrict us from making Nepali movies. However, at times, one needs to take certain things with a pinch of salt and look for other avenues, so, I told myself that if I cannot make a movie for the Nepali market then at least I can make Nepal a film-making destination. Most people do not have any idea behind why Squid Game was so successful. 10-15 years ago, it would not have been accepted. What is happening now is with the amount of content that is growing for global consumption people are looking for diversified authentic content. People do not want to always watch western content; they want to see different things. Even I watch Korean movies. We are in a state where people are hungry to listen to stories from different parts of the world. The reason why '14 Peaks' became famous was because of the authentic content. There were movies regarding the mountains previously but '14 Peaks' became famous due to its authentic packaging. So, this is the perfect time to take stories from this part of the world to the global audience and the government needs to assist those involved in it. **B**


Every other day there is always new software and technology being introduced. If we stick with doing only what clients assign us, then we will be confined within that circle. We are trying to collaborate with the Unreal Engine concept of Epic Games, which is a multi-billion-dollar company and a platform for game developers.



HOTEL ROYAL SINGI

KATHMANDU




 Lal Durbar, Kamaladi (5 mins walk from Durbar Marg)
Kathmandu, Nepal

 eventsales@royalsingi.com
sales@royalsingi.com

 977-1-01-4524 190, 4524 191

 www.royalsingi.com

 [royalsingi](https://www.facebook.com/royalsingi)

 [royal_singi_hotel](https://www.instagram.com/royal_singi_hotel)



SMALL BUSINESS HIT HARDER IN ECONOMIC SLOWDOWN

Nepal's Industrial Enterprise Act 2020 classifies firms by size based on the value of fixed assets. Nepal lacks a nationally representative survey of firms, including small and medium enterprises (SMEs), that yields detailed information on firm characteristics spanning production, sales, employment, exports, and sourcing (including imports), among other things. As a result, there is no credible basis for estimating the contribution of SMEs to the economy.

The MoF (2016) mentions that SMEs contribute 22% to the gross domestic product (GDP) and employ around 1.7 million people without specifying the basis for the numbers. The contribution of SMEs to output, employment, and exports in the manufacturing sector is unknown.

SMEs formulate a huge part of Nepal's economy with an estimation of over 92,300 registered businesses. Among them, about 12% are small and medium businesses accounting for 40% of employment but despite this prominent contribution, they

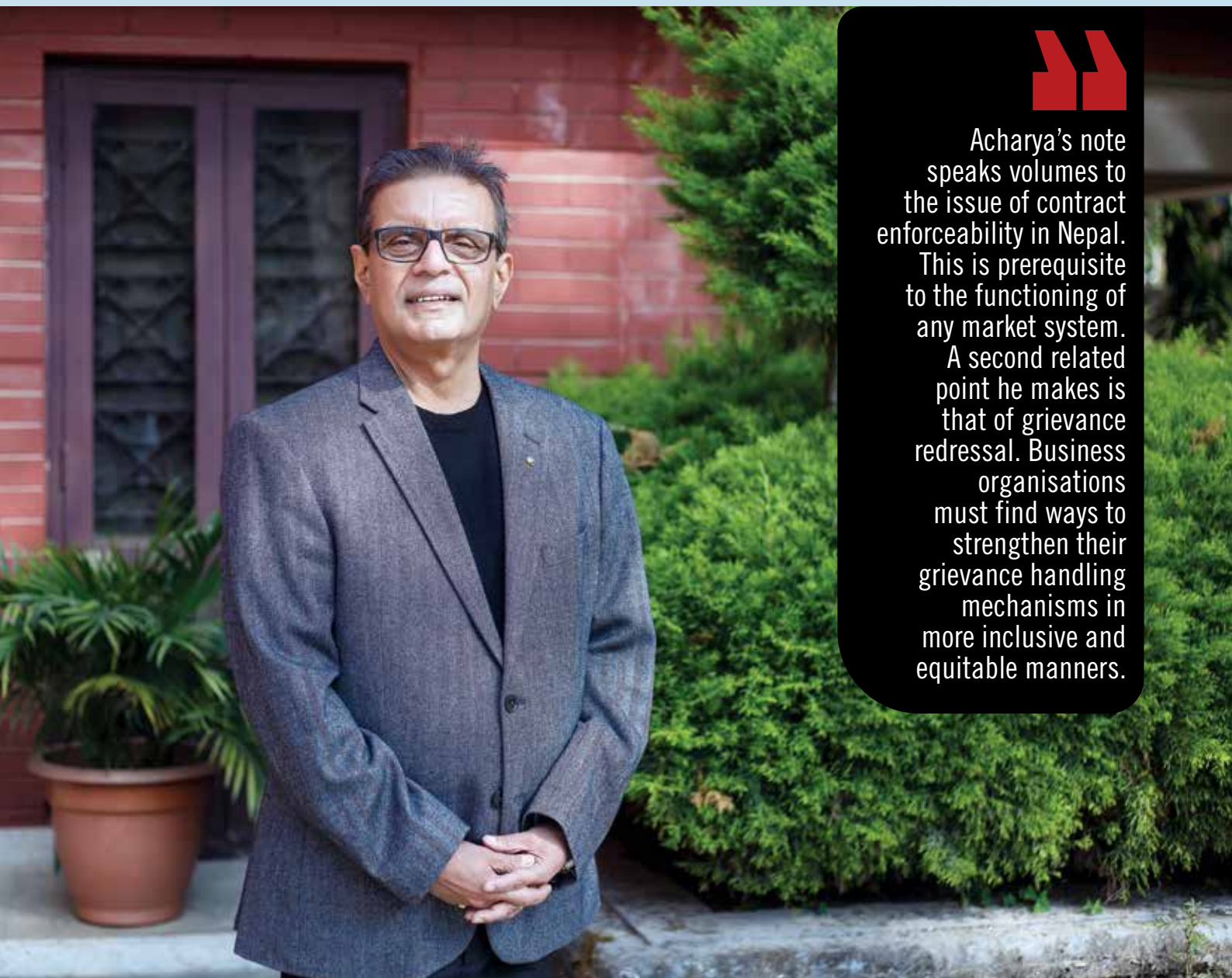
face constraints in growth marking a financial gap estimated at \$3.6 billion with only \$731 million currently available. The ongoing economic instability, inflation, increased cost of doing business, lack of business ethics, legal protection in transaction commitments, and high interest rates charged by banks has exposed SMEs to multiple risks and challenges and even a high probability of putting them out of business.

While news of small entrepreneurs being unable to cope with the post pandemic economic instability has been making some news, a jolt came in the form of the recent tragic case of Prem Prasad Acharya from Ilam who self-immolated himself in front of the Parliament in the capital to call to attention his plight, his inability to cope, and a series of thought provoking conditions that small and medium entrepreneurs face at the hands of an indifferent government and lack of policies that protect SME rights in Nepal. Prior to taking his life, late Acharya had posted a suicide note

on his Facebook page appealing for reform for the likes of entrepreneurs like him.

Private sector umbrella organisations like the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), and the Confederation of Nepalese Industries (CNI) exist to champion the cause of private businesses and entrepreneurs. They are the apex bodies that the government corroborates with on policy reform. Yet small and medium entrepreneurs across the country echo that these bodies are limited to protecting the interests of a select few.

In this edition of **Business 360**, we spoke to a few entrepreneurs, and business and economic experts on what should be the role of organisations like FNCCI and CNI in supporting SMEs. We also sought their opinion on how the government can facilitate small and medium entrepreneurs to minimise their risk in difficult times and economic slowdown.



Acharya's note speaks volumes to the issue of contract enforceability in Nepal. This is prerequisite to the functioning of any market system. A second related point he makes is that of grievance redressal. Business organisations must find ways to strengthen their grievance handling mechanisms in more inclusive and equitable manners.

RAJIB UPADHYA

Author and Former Advisor to World Bank in Nepal and South Asia

While the pandemic slowed down the global economy and hurt businesses everywhere, it dealt Nepali businesses a second severe blow so soon after the 2015 earthquake from which many were still recovering. Obviously, smaller businesses such as those represented by Prem Prasad Acharya are particularly vulnerable.

There is only so much that a small economy like Nepal can do to relieve the pain that crises like these inflict on individual businesses

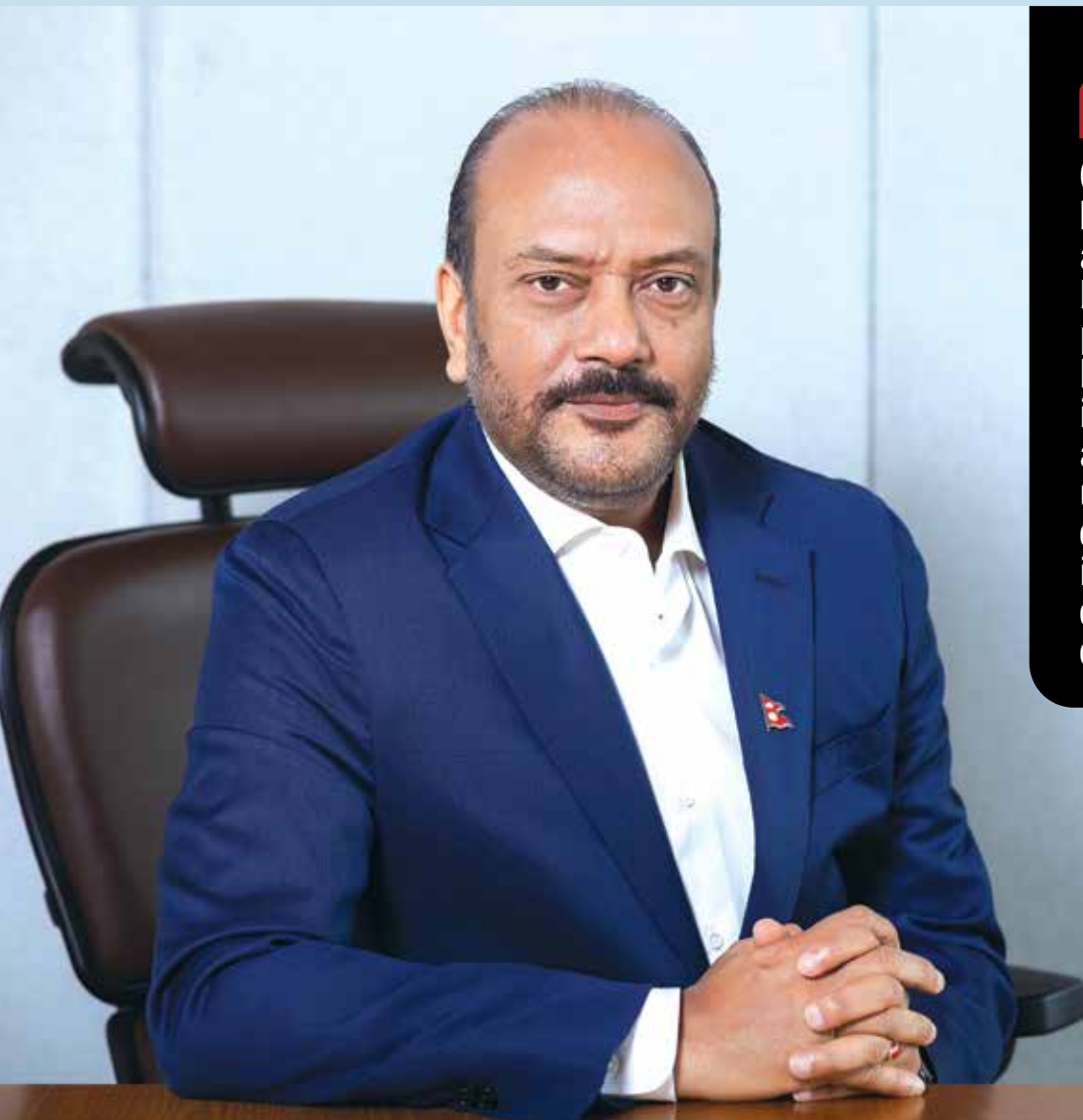
especially when the impact is economy-wide. Moreover, when the playing field is not level, small businesses often find themselves far too low in the pecking order to benefit from what little the state might dole out in the form of subsidies, support or other relief measures.

Studies from around the world have lately established the effects of the pandemic in exacerbating mental health problems. Nonetheless, what struck me in Prem Prasad Acharya's case is that he took

the trouble to elaborate his grievances in a suicide note he posted on Facebook, which in his own words is a biographical account of his setbacks. Albeit tragic, I found it a fascinating case study in the application of Murphy's Law in fledgling Nepali businesses – that is, anything that can go wrong will go wrong. I earnestly hope Acharya's act of desperation will not go in vain and nor that it would be just another blip in the news-cycle.

As to my suggestion to business organisations:

Acharya's note speaks volumes to the issue of contract enforceability in Nepal. This is prerequisite to the functioning of any market system. A second related point he makes is that of grievance redressal. Business organisations must find ways to strengthen their grievance handling mechanisms in more inclusive and equitable manners. Oftentimes, peer-based naming and shaming can achieve a lot more good than any amount of government regulation.



Guidance is the key to success in any business. Any business will make profits and also face losses over time, it is a cycle, but being able to make them understand this concept is key. That is what defines an organisation and their credibility.

PAWAN GOLYAN

Chairman, Golyan Group

Small and medium enterprises are an integral part of the business ecosystem in Nepal, however they are also one of most vulnerable sections in the business world. The laws and systems of our country have only just recently started to recognise them as contributors to the economy and that it was due to the Covid pandemic. To be honest it was due to the pandemic that SMEs and microfinance started being recognised in the market. Prior to the pandemic they were never recognised even though they were an integral

part in sustaining the country's economy.

Around 25-30% of the startups have folded up and that is due to the lack of government support. I believe private sector umbrella organisations like the Federation of Nepalese Chambers of Commerce and Industry and the Confederation of Nepalese Industries play a crucial role in helping and sustaining the SMEs in the market and our sister company, Mato, has been trying to do the same as well. FNCCI and CNI do provide the SMEs with seed money but that in

itself is not enough. They have to provide the SME owners knowledge and training to improve their business along with showing them pathways when they are in a difficult situation. Guidance is the key to success in any business. Any business will make profits and also face losses over time, it is a cycle, but being able to make them understand this concept is key. That is what defines an organisation and their credibility.

On this note, the government has taken a few steps to address the issues being faced and raised by

SMEs. The government has taken the initiative to provide credit to the SMEs through the banking channel at a nominal interest rate for a certain amount of loans.

However, I strongly feel that asset management companies should be introduced in Nepal. The companies as such will be able to look after the SMEs and work according to the needs and requirements of small business owners. Many countries have started using this medium and it has proven to be a success in managing the SMEs and their needs.



Learning from the difficult circumstances, we have realised how important it is to build a Business Continuity Plan (BCP). It is the responsibility of the apex bodies of business associations to support and strengthen its members, especially MSMEs resilience to cope with economic shocks such as Covid 19 and beyond.

NEERU RAYMAJHI KHATRI

President, Federation of Women Entrepreneurs Association of Nepal

Covid 19 has impacted the Nepali economy drastically and it's very crucial to plan on delivering solutions to build businesses to become resilient and inclusive. We have experienced in the past that smaller the businesses the higher is the impact related to the disaster. Learning from the difficult circumstances, we have realised how important it is to build a Business Continuity Plan (BCP). It is the responsibility of the apex

bodies of business associations to support and strengthen its members, especially MSMEs resilience to cope with economic shocks such as Covid 19 and beyond.

One key role of such an organisation is to lobby and advocate Disaster Risk Reduction Management (DRRM) policies and programmes to MSMEs. This will help ease the disruptive supply chain and cash flows and thus enhance the skills and

confidence of the entrepreneurs to cope with the disaster.

Likewise, government agencies must have strong policies and laws for emergency plans to deliver solutions to support SMEs to become fully prepared in challenging times. The government also needs to focus on active participation and engagement in DRRM. Hence, collaborating and cooperating with all stakeholders of the business sectors is necessary.

Being proactive in creating conducive business environment and offering incentive packages such as grants, subsidies, loans, tax exemptions, etc. will support the entrepreneurs to sustain their enterprises.

To prepare for unforeseen challenges, the government, the private sector and business enterprises must all primarily focus on promoting sustainable and resilient business practice that incorporate Disaster Risk Reduction Management and Business Continuity Plan.



Unfortunately, while we hear everything that happens to the large corporates, whether it be bad or good, we hardly hear the voice of the SMEs. I feel like the SME is the backbone of our economy because while individually they may be small, collectively the impact that they are having on the national economy is formidable.

ANIL KESHARY SHA

Chairperson, Lead Nepal Inc

Small and medium enterprises are the backbone of our economy. While the large national corporations may be the face of our economy and the names that we all recognise, the true backbone of our economy are the small businesses that we find scattered all over the large cities, small towns, and even in the villages. Unfortunately, while we hear everything that happens to the large corporates, whether it be bad or good, we hardly hear the voice of the SMEs.

I feel like the SME is the backbone of our economy because while individually they may be small, collectively the impact that they are having on the national economy

is formidable. The small shops, manufacturing units, restaurants, or any other type of SME individually may employ only a few people, may be a dozen, but when you put them together collectively, the number of people employed by SMEs far surpasses that employed by our handful of national corporates. Even if it is a small kirana pasal (grocery store) in which the owners are the only employees, or the restaurant employing a few servers and people in the kitchen or a small manufacturing unit with a dozen employees, when you look at the number of such enterprises across the nation, the total number of people employed by SMEs is amongst

the largest of any category. In addition to employment, the amount of revenue generated and the VAT or other taxes paid by SMEs is a major contributor to the exchequer of the Government of Nepal. And most importantly, SMEs provide services and goods to people of Nepal across all strata of society.

SMEs by the nature of their business require entrepreneurs and everybody involved in it to be constantly working to keep the business afloat, they neither have the time nor the budget to take any issues or challenges that they may be facing to a larger audience. Therefore, I feel it is critical for private sector bodies like the FNCCI, CNI, etc. to broaden

the network, and in fact have large scale units within them catering just to SMEs. With clear parameters, as to who or what qualifies as an SME and ensuring that they have a larger seat, and a larger voice as the large corporates do. The government of Nepal, whether it be the Ministry of Industry, Labour, Finance, or any other ministry or department that caters to the economy or the private sector, must give due importance to SMEs. The issues and challenges as well as the opportunities of the SME are quite unique, and if they are not given that due attention in time, they get lost among the larger issues and the louder voices of the national corporations.

In the recent past, financial institutions of all categories have all made concerted efforts to penetrate into the SME realm. While in the past banks, especially A Class commercial banks, used to be primarily focused on large scale, national corporations, today you'll find even the biggest of banks having specialised cells for SMEs. Even today it is harder for SMEs to access financing than large corporates, but a start has been made and in line with this, today you will see more SMEs flourishing across the nation than ever in the history of Nepal. If you are an entrepreneur and looking for finance, I think today it is still difficult but far easier than it was yesterday.

In the recent past, when we were in the midst of the Covid 19 pandemic, it was the SMEs that sustained and fulfilled the needs of the Nepali people. While many of the national corporations were shut down, it was small businesses dotted across the nation that provided the goods and services that were required by the people to survive and sustain themselves. The SMEs have consistently proven their need and the value to the people of Nepal, I think it is now time for everybody to give the SMEs the needed attention and assistance.

Therefore, in order to transform the economy of Nepal, we have to focus on the SME sector. Without having government policies, bank financing and the attention of the private sector bodies, it will be increasingly difficult for the SMEs to survive, grow and prosper. And unless the SME sector flourishes in Nepal, it is not possible for the Nepali economy to reach its maximum potential. Therefore, a concerted effort has to be made to form the needed ecosystem for SMEs to thrive and grow in. We should have done this sometime back, but we did not, therefore there is no better time than now for us to start.



MANISH JHA

CEO and Co-founder, Facts Research and Analytics



We should understand the differences between: entrepreneur, entrepreneurship, and enterprise building process and I think FNCCI and CNI play and help their stakeholders to understand the differences.

Government should promote the practice of business incubation centres. It works like a kindergarten for kids and gives them liberty to take risks and learn from it.

We need to accept and promote the culture of profit-making but this is an old and bad perception about entrepreneurs. How can one survive without making profit?

We should understand the differences between: entrepreneur, entrepreneurship, and enterprise building process and I think FNCCI and CNI play and help their stakeholders to understand the differences.

Apex bodies like FNCCI and CNI should give access

to all the stakeholders to raise their voice. They should stop being brand ambassadors of their own businesses and should become activists for better business practices, policies and economic environment. They should do some more things to promote and support SMEs.

We should encourage people to give, get and have practice of mentorship.

These are the few things I have learned and it helps us to hold ourselves in the time of crisis and also for strategic moves.



Lay Off The Layoff Fear

MANAGERS ARE MORE THAN JUST A JOB



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

Though the repeated warnings of a global recession have yet to be experienced in full force, layoffs in the technology sector are growing at an alarming rate. The bigger a tech or tech-propelled company higher are its layoffs.

Amazon and Meta have shown the door to thousands of employees in 2022. Among others who have been issuing pink slips to their staff are the likes of Dell, Yahoo, Zoom, Qualtrics, Carta, Verily, Alibaba, Cineplex, Tencent, Twitter, Better.com, Peloton, Byju's, Blinkit, Unilever, Snap, Doordash, Microsoft, Lido Learning, Vedantu, Unacademy, Chargebee, Wayfair, Clarna, Meesho, Oyo, Cars24, Mfine, Udaan, Ola, Noom, Netflix, Wipro, Plaid, FarEye, Tesla, Walmart, Boeing, Adobe, etc. This is anything but a complete list. We can see employees being thrown out across geographies, business domains and companies.

Remember how over two years ago, Covid19 pandemic and the consequential choking of supply chains had resulted in world-wide inflation. The geopolitical and economic situation worsened with the breakout of military hostilities between Russia and Ukraine in February 2022. Central banks of many countries resorted to their old age technique of raising

interest rates to control rising prices. With the desired results not forthcoming early and easy, several central banks are still pushing ahead with the same formula. This time period was marked by the Great Resignation or Big Quit phenomenon wherein employees began resigning in protest against rise in cost of living even as wages remained stagnant. However, this development was largely confined to the Western world where the jobless are entitled to unemployment benefits.

other sectors even if sooner than later or in less or higher degree.

Even the currently raging war between Russia and Ukraine, which cannot be described as a business conflict by any stretch of imagination, has shaken the world's economy and commerce, leaving aside a heart-rending humanitarian crisis.

Intensive interlinking of countries and their entities dotting the planet has its own pros and cons. Of utmost

after retiring from their offices or companies? Does a senior businessman become useless after withdrawing from day-to-day business activities? Is his guidance and mentorship of no use? The end of a job, dear managers, is not the end of a career and certainly not the end of life. The moment and period of job loss cannot last forever. Recessions are short-lived. Haven't you overcome downturns, big and small, during your career? Haven't you emerged wiser and stronger from personal crises? The fear of a disaster is often more damaging than the real calamity.

Also don't ever think that you have lost your job in recessionary times because you are inefficient. Merit and dedication are vital but they often take a back seat in times of extreme crises when companies are compelled to reduce headcount for sheer survival. Your abilities are not in question. Do not get caught in the victimhood trap.

Still, creating contingency plans against potential job loss scenarios is always beneficial. This is your personal risk management. Even if you sniff an impending danger, check the following: have sudden cost-saving steps been ordered in your department, are sales falling regularly, has the company stopped filling even the most needed vacancies, is their suddenly not enough work to do, are even essential business tours being curtailed, are non-core business activities being put on the back burner, have high Capex projects been abandoned or postponed unexpectedly, are you no longer being invited to regular meetings and brainstorming sessions, etc.? To get the correct response to these doubts create a small group of people thinking alike. If the collective answer is a 'No', then you are overthinking and tormenting yourself unnecessarily. Stop doing that.

There are better things to do in life than to remain in a state of constant fear. **B**



But even before inflation could be tamed last year, economic experts had started prophesying that the year 2023 will witness a recession that could cripple the world's economy. The doomsayers were proved right even before 2023 could set its foot in. We are facing massive layoffs in the IT and technology sectors. Those who have escaped the axe are forced to accept wage cuts.

Though it is technology companies and tech start-ups which are facing the most grievous blows caused by the recession, it would be naive to imagine that other sectors of the global economy will remain unaffected. Globalisation is both economic and technological in nature. It has linked every activity and development in today's world. Downturn in any given domain is bound to affect

concern is the impact which estimated and sudden upheavals have on the rank and file running private enterprises? There is a pall of gloom, fear, uncertainty and apprehension over the managerial world. The fear of the pink slip is sapping the physical and mental energy of even the most battle-hardened executives. This is a sad situation. But how can we cope with the Great Apprehension?

Marshal your mental, emotional and spiritual faculties and seek to know whether you are merely a job. You will quickly understand that a job is only a part of your whole self. Do not underestimate or demean yourself by equating yourself with your employment. Were you worthless before getting employed? Or have your elders been rendered worthless



HOTEL SHANKER
Old World Elegance

THE VENUE FOR YOUR NEXT BIG THING

A great venue isn't just the convenience and amenities.
It is all of the above with an ambience which adds vigour, charm and elegance.

We look to be the backdrop to your next big thing!

#hostedatshanker

Lazimpat, Kathmandu | 977 1 4410151/52 | shankerhotel.com.np, sales@shankerhotel.com

COST OF PUBLIC HOLIDAYS TO THE ECONOMY

Text: Pushpa Raj Acharya



In the last one year, the government announced dozens of public holidays on its leadership's sole discretion, beyond the predetermined list of the nation's annual holidays. The government led by former Prime Minister KP Sharma Oli had substantially cut down the number of public holidays previously. However, the

government that was formed after the Oli-led government and the successive incumbent government have followed a reverse trend by announcing additional public holidays which indicate a public pleasing move, but one that has actually gone against them.

Ironically, instead of offering respite, people actually suffer due to delays

in public service delivery due to unplanned holidays and there is an adverse impact on industrial output and development (project) works. Criticism has started growing with the government granting random holidays without valid reason. Illogical decisions like giving a public holiday to mourn for lost lives in a fatal Yeti Airline's plane crash

in Pokhara on January 15 is an example that was heavily criticised. A plane carrying 72 passengers and crew members onboard crashed on January 15 when people were celebrating a national festival 'Maghe Sankranti' already a public holiday. The government, subsequently, announced a holiday on January 16 when the victim's families were looking

for the bodies of the deceased and there was an urgent need of intensified search and rescue operations. The Home Ministry was criticised for making an attempt to escape the questions being raised by the public regarding aviation safety and the search and rescue operations. Bhojraj Pokharel, a prominent member of the civil society, said the government's decision to announce a public holiday the day after the plane crash was merely guided by an approach to show that the 'government is acting'. "Government's action would have better reflected on interventions for the safety of public transport including civil aviation," he said, adding, "Just a few months back in December 2022, 17 individuals were killed and dozens were injured in a bus accident in Bethanchowk of Kavre but the government didn't announce any public holiday. The government can't treat such mishaps discriminatorily."

The government granted a public holiday on January 11, on the occasion of Prithvi Jayanti, the birth date of late King Prithvi Narayan Shah, who is credited for the unification of

modern Nepal and was the first Shah king of the country. After the abolishment of monarchy in 2008, there had been no official celebration of Prithvi Jayanti. However, a coalition partner of the incumbent government, Rastriya Prajatantra Party, reportedly sought a national public holiday to mark Prithvi Jayanti as condition to support the coalition. Interestingly, Prime Minister Pushpa Kamal Dahal 'Prachanda' who comes from a political background that is against monarchy endorsed the idea to bring the party onboard while forming the government coalition.

Considered to be a true fighter for Republic Nepal, Prime Minister Dahal compensated this compromise with Rastriya Prajatantra Party by announcing another national public holiday on February 13 on the occasion of 'Civil War Day' through a Cabinet decision on February 12. What has to be noted is that the Maoist insurgency has still not been recognised as a civil war officially despite their coercive attempts. Some of the prominent issues associated with transitional justice — investigation of enforced

disappeared persons and justice to the victims are yet to be settled. In these circumstances, announcement of a public holiday is futile without any formal endorsement through a national consensus.

Lag effects on the economy

Public holidays have both positive and negative lag effects on the economy depending on various factors. It is believed that holidays increase consumer spending as they have free time and may spend more on leisure activities, shopping, travel and tourism related activities like hospitality, food, transportation, and other logistics. This can be viewed as a positive effect on the economy as increased consumer spending can stimulate economic growth.

On the flip side, excessive and random public holidays typically result in reduced productivity as many businesses, development and infrastructure projects and government agencies shut down or operate on reduced schedules. This can lead to reduced output and has a knock-on effect on the wider economy. Public holidays can also result in higher costs for businesses, particularly those in the hospitality and retail sectors as workers/labourers demand additional wages for working on holidays.

Public holidays are linked to output loss in the economy. Economic output is the blend of labour, capital and entrepreneurship, according to Nara Bahadur Thapa, an economist and former Executive Director of Nepal Rastra Bank. He said, "Workers start seeking for additional leave along with public holiday to spend time with their families or to travel. This creates a knock-on effect on the economy."

Citing the example of infrastructure projects under construction, Thapa said, "If the government offers a random public holiday between working days, it might take

another two to three days to get back the traction."

Thapa informed that the economic output loss due to a public holiday is huge. If economic activities are completely halted due to a nationwide strike, it costs a roughly Rs 7.87-billion-loss in a day considering the size of our gross domestic product (GDP) of Rs 4,851 billion. Though holidays could increase spending and consumption, the limited operation of industries, businesses and complete halt of public service might have roughly a loss of around Rs 3.5 billion to Rs 4 billion in a single day of public holiday as it is considered as a non-working day.

Additional public holidays and the decision to grant leave on Saturdays and Sundays for three weeks might have had a loss of no less than Rs 50 billion last year. In May last year, the government randomly declared two days leave in a week, Saturdays and Sundays, as an initiative to reduce the consumption of petroleum products as the country's import bill of petroleum products surged exponentially due to global price rise.

There is no standard rule or benchmark for public holidays. Public holidays must be rationalised and well accepted with the country's culture, history, values and international conventions. In Nepal, there is also a malpractice of granting public holiday by subnational government within their domain/jurisdiction on special occasions. While the country's PM Dahal had recently urged top level bureaucrats to trim the number of public holidays citing excessive holidays cause ineffectiveness in public service delivery as well as adversely impact economic activities, he announced a public holiday on Civil War Day. This kind of haphazard decision making exposes a thin commitment towards governance reforms and public service delivery. **B**

Additional holidays announced in last one year through Cabinet decisions

Date	Holiday
February 2, 2022	Sonam Losar
March 3, 2022	Gyalpo Losar
April 10, 2022	Rama Navami
May 3, 2022	Eid al-Fitr
May 13, 2022	Local election
May 15, 2022	Execution of Saturday-Sunday (2 days in the weekend) holiday
June 6, 2022	Scrap of two days leave in the weekend
July 10, 2022	Bakra Eid/ Eid al-Adha
October 18, 2022	To pay tribute to centenarian cultural expert late Satya Mohan Joshi
November 20-21, 2022	Holidays for federal and provincial assembly elections
January 11, 2023	Prithvi Jayanti
January 16, 2023	To mourn those who lost their lives in the Pokhara air crash
February 13, 2023	Civil War Day

(Source: Ministry of Home Affairs)



IS NEPAL DOING ENOUGH TO ENSURE AIR SAFETY

Text: Pushpa Raj Acharya

Despite the Bills to split Civil Aviation Authority of Nepal (CAAN) into two separate entities as regulator of civil aviation and airport operations plus air navigation service provider were endorsed by the National Assembly — Upper House of the Federal Parliament - both the Bills that were tabled on August 10, 2021 at the Lower House could not proceed for discussions as the house session ended abruptly. The previous government was reluctant to table the Bills again for discussions in the next session of the parliament.

Currently, CAAN has been functioning as the regulator of civil aviation as well as the service provider in the areas of air traffic management and airport/airfield operations. Though, there are separate

directorates to look after the regulatory issues and services, it has become a major issue to lift the ban that was imposed by the European Union on Nepal's civil aviation due to safety concerns.

In this regard, along with the Nepal Civil Aviation Authority Bill the government subsequently tabled Nepal Air Service Authority Bill 2020. These initiatives are considered as prerequisite set by the European Union for Nepali carriers to be allowed back in Europe. The European Union (EU) blacklisted the civil aviation sector of Nepal in December 2013 over concerns about the country's safety oversight of its airlines following a series of air crashes in Nepal. The EU's decision to blacklist Nepal's civil aviation sector meant that Nepali

History of AIR CRASHES in Nepal

International Airlines



Date	Flight	Description
July 31, 1992	TG-311	Thai Airways plane carrying 99 passengers and 19 crew members onboard crashed on a hill 37 km north from Kathmandu airport.
September 28, 1992	PIA-268	Pakistan Airlines plane carrying 167 passengers and crew members onboard crashed at Bhattedanda, Lalitpur.
March 4, 2015	TK-726	Turkish Airlines aircraft crash landed at Tribhuvan International Airport. There were no casualties.
March 12, 2018	UBG-211	49 passengers including pilot and co-pilot were killed on the spot at the crash site 440 metres from the runway of TIA. Two died in hospital.

airlines were not allowed to operate in EU airspace.

Reportedly, the move was taken after the International Civil Aviation Organisation

(ICAO) found that Nepal's civil aviation regulatory body, the Civil Aviation Authority of Nepal, did not meet international safety standards.

National plane (fixed wing)/helicopter

Date	Crash description	Fatalities/casualties
July 27, 2000	Royal Nepal Airlines DHC-6 Twin Otter crashed on the way to Bajhang to Dhangadhi.	25 killed
August 22, 2002	Shangri-La Air, DHC-6 Twin Otter crashed in Pokhara.	18 killed
May 25, 2004	Yeti Airlines DHC-6-309 Twin Otter crashed on Lamjura hill near Lukla.	Three killed
September 30, 2004	Sita Air Dornier 228 crash landed at Lukla Airport.	The airport was closed for several days.
June 30, 2005	Gorkha Airlines Dornier-220 crashed on runway.	Crew members and passengers were injured.
June 21, 2006	Yeti Airlines DHC-6 crashed at Jumla Airport.	Nine killed
September 23, 2006	Shree Airlines Helicopter crashed at Ghunsa, Taplejung.	24 killed including State Minister for Forests and Soil Conservation Gopal Rai and veteran conservationist/planner Harka Gurung.
October 8, 2008	Yeti Airlines DHC-6 crashed near Lukla Airport.	16 passengers, three crew members killed
April 19, 2010	Nepal Airlines DHC-6 Twin Otter 300	
August 24, 2010	Agni air crashed at Makawanpur	14 killed
December 15, 2010	Tara Air DHC-6 crashed at Manedanda, Okhaldhunga	19 passengers, three crew members killed
September 25, 2011	Buddha air crashed at Bishankhunaryan-2, Chundanda Lalitpur	19 killed
May 14, 2012	Agni air Dornier 228 crashed near Jomsom	13 passengers, two crew members killed (One crew member and four passengers survived)
September 28, 2012	Sita Air 9N-HA Dornier crashed at Manohara, Bhaktapur.	19 killed
May 16, 2013	Nepal Airlines 9N-ABO crashed at Jomsom	Seven injured
February 16, 2014	Nepal Airlines 9N-ABB Twin Otter crashed at Khidim, Arghakhachi.	18 killed
May 12, 2015	Helicopter ferrying relief materials for earthquake victims crashed in Sindhupalchowk.	11 killed
February 24, 2016	Tara Air Viking 9N-AHH Twin Otter crashed enroute to Rupsekot, Myagdi while flying to Pokhara to Jomsom.	23 killed
February 26, 2016	Air Kasthamandap 9N-AJB crash landed at Chilkhaya in Kalikot district.	Spot death of pilot and co-pilot, nine passengers were injured
August 8, 2016	Fishtail Air helicopter crashed at Betini Nuwakot.	Seven killed
September 24, 2016	Yeti Airlines aircraft overshoots 250 metres from runway at Gautam Buddha International Airport	No casualties
September 8, 2018	Altitude Air helicopter crashed at Mailung Pakha of Myagang Rural Municipality, Nuwakot.	Six dead, one survived
July 12, 2019	Yeti Airlines NYT-422 (9N-AMM) coming from Nepalgunj slipped off the runway just as it landed at Tribhuvan International Airport	No casualties
February 27, 2019	Air Dynasty helicopter crashed in Taplejung district.	Seven onboard including Tourism and Civil Aviation Minister Rabindra Adhikari killed.
March 28, 2020	Yeti Airlines Y12e aircraft landed approximately 60 metres short of the runway, skidding to a nearby grassland at Nepalgunj Airport	No casualties
May 29, 2022	Tara Air DHC-6 aircraft with 22 people on board crashed near Jomsom.	19 passengers and three crew members killed
January 15, 2023	ATR 72 aircraft of Yeti Airlines that flew to Pokhara from Kathmandu crashed in Pokhara.	71 killed, one missing (suspected dead)



since 2013, calling it unsafe. The ICAO had taken three plane crashes in the same year in 2010, one in 2011 and two in 2012 as the base for the ban on Nepali airlines.

However, ICAO lifted the ban after four years in 2017 taking into consideration improving safety standards and Nepal's commitment to further enhance safety as per recommendations. ICAO has awarded Nepal an effective implementation score of 70.1% in its latest safety audit conducted in April 2022, ranking the country above the global average of 67.2%. However, the EU conducted a separate audit in October 2022 and the authorities of CAAN were excited about the ICAO's recent award and were expecting to pass the EU's safety audit.

The joint statement issued by CAAN and European Union on November 28, 2022 says, "Although Nepal for the time being remains on the Air Safety List, the EU Air Safety Committee was briefed about the progress made by Nepal in terms of air safety. In particular, the adaptation of a new Civil Aviation Authority of Nepal regulation on the functional separation of CAAN's regulatory and service provider roles has been assessed. Now, the implementation of this new regulation as well as progress in aligning CAAN's safety oversight capacity with the relevant international safety standards must be verified through an EU on-site assessment visit to Nepal."

CAAN Director General, Er. Pradeep Adhikari, has claimed that the ICAO's audit has given room for the EU to rethink about their continued ban on Nepali aircrafts. However, the question of aviation safety in Nepal has come to the fore more visibly following the recent Yeti Airlines ATR-72 crash at Seti Gorge near the newly built Pokhara International Airport. The recent incident has hammered the efforts made by the aviation sector regulator to perform better in terms of safe air

International standards

Erstwhile Minister for Culture, Tourism and Civil Aviation, Yogesh Bhattarai, had registered the two aforementioned Bills at the National Assembly in 2021 to streamline civil aviation and enforce safety regulations as per global standards. The Bills

envisioned splitting CAAN into regulator and service provider, which is also one of the requirements set by the European Union for Nepali carriers to be allowed back in Europe.

There have been more than two dozen flights involved in crashes with fatalities since

2000. A series of air crashes from 2010 to 2012 forced the European Union Aviation Safety Agency to ban Nepali aircraft in European airspace taking reference of the ICAO's report. Moreover, the International Civil Aviation Organisation, the United Nations Aviation Body, has blacklisted Nepal's air travel

transport as well as adversely affected the recovery of the country's tourism sector.

EU and CAAN lock horns

There have been serious reservations on CAAN authorities towards splitting the entity into two separate bodies — regulatory body and service provider. Initially, trade unions in CAAN were opposing the idea, however it has become a common voice in CAAN from the Director General to the clerk that the CAAN should not be separated into two different entities. Authorities claim that the EU's intention is political rather than technical and the solution must be sought politically. The Bills endorsed by the National Assembly remain idle instead of being tabled in the Lower House of the Federal Parliament — House of Representatives. To be effective as law, they must be endorsed by the House of Representatives and receive the President's seal.

However, EU has underlined the split of CAAN as a prerequisite to allow Nepali aircraft in its airspace. In a recent interview, EU Ambassador to Nepal, Nona Deprez, said that EU has its own safety standards to protect EU citizens and highlighted deficiencies in the civil aviation system — traffic control, inspection, accidents, investigation, training of pilots, command and control everything. "While talking about an aircraft too, what is happening in Nepal is one person is screwing a bolt and the same person is checking whether the bolt has been properly screwed; that is a potential safety concern," she said, "The Government of Nepal decided to split CAAN into service provider and a regulator five years ago and drafted the Bills as well. This is something that is not going to be unique to Nepal, it is already in practice in many countries."

The EU has underscored a few issues that the aviation sector regulator has been working on.

The Government of Nepal and CAAN are working closely with international organisations like the ICAO to enhance safety standards in the aviation sector.

Improving safety

oversight: CAAN has strengthened its safety oversight system by increasing its capacity to carry out safety audits and inspection of airlines, airports, and other aviation-related entities.

Upgrading

infrastructure: Nepal is working to upgrade its airports and air traffic control systems to improve safety and efficiency.

Investing in training:

The government is investing in training programmes for aviation professionals to improve their skills and knowledge.

Strengthening

regulations: CAAN has introduced new regulations and guidelines to enhance safety in the aviation sector.

Collaboration with

international organisations: The Government of Nepal and CAAN are working closely with international organisations like the ICAO to enhance safety standards in the aviation sector.

Reportedly, these measures have helped improve the safety standards of civil aviation in Nepal, however there is still room for improvement. Continued investment in infrastructure, training and safety oversight are necessary to ensure that Nepal's civil aviation sector meets international safety standards and is able to operate safely and efficiently.

CAAN Director General Adhikari has said that the EU has taken ICAO's report as reference while imposing ban on Nepal's civil aviation but the ICAO's recent audit shows we are above the global average in terms of safety compliance, which they are overlooking and showing reluctance to recognise.

Advantages and disadvantages of splitting CAAN

There may be some benefits in splitting CAAN. For example, dividing the authority into separate entities responsible for air traffic control, airport management and aviation safety oversight could lead to increased

Ultimately, the decision to split CAAN for aviation safety would depend on various factors including the current structure of the organisation, its capabilities, and the overall aviation safety situation in Nepal. Any decision to restructure CAAN should be made after careful analysis and consultation with stakeholders, including aviation industry experts, government officials and members of the public.

Overall, whether or not to split the Civil Aviation Authority in Nepal for aviation safety is a complex decision that would require a thorough

Advantages	Disadvantages
<p>Enhanced focus on aviation safety: By creating a dedicated aviation safety agency, the Government of Nepal can demonstrate its commitment to improving the safety of the country's aviation sector. This can help attract more investment and encourage growth in the sector.</p> <p>Improved regulation and oversight: A dedicated agency could potentially improve the quality of regulation and oversight of the aviation industry, which could lead to safer operations and better outcomes for both passengers and operators.</p> <p>Better coordination and communication: By having a separate agency focused solely on aviation safety, there may be better coordination and communication among various stakeholders in the industry, including airlines, airports, and regulators. This could help identify and address potential safety issues more quickly and effectively.</p>	<p>Increased bureaucracy: Splitting the Civil Aviation Authority of Nepal could potentially create more bureaucracy and red tape, which could slow down decision-making and make it harder for operators to do business.</p> <p>Reduced efficiency: The creation of a separate agency could lead to duplication of efforts and resources as the Ministry of Culture, Tourism and Civil Aviation has also been performing regulation works. Lack of capacity development opportunities for bureaucracy which could result in reduced efficiency and higher costs.</p> <p>Limited expertise: Splitting CAAN could potentially result in a loss of expertise and institutional knowledge. It may be challenging to find enough qualified personnel to staff two separate agencies, particularly in a country like Nepal with limited resources.</p> <p>Adjustment of staffs: Adjustment of staffs could be a big challenge while splitting CAAN.</p>

specialisation and expertise in each area. This, in turn, could lead to more effective and efficient management of aviation operations in the country.

However, there are also potential drawbacks to such a move. For one, it could create a more complicated bureaucracy that is more difficult to navigate and oversee. Additionally, separating CAAN could create more opportunities for conflict and confusion between the different entities, potentially leading to gaps in oversight and safety lapses.

analysis of the costs and benefits. While there are potential advantages to creating a dedicated agency, it is important to carefully consider the potential downsides and make sure that any changes are implemented in a way that maximises benefits and minimises risks. Alternately, if suggested political interests are being pointed to in whether to table this bill or not to, it is imperative that we question what those political interests are and whom does it benefit. **B**

New Style. New Statement.



The all-new Hyundai Venue combines advanced technology with new-age style. Brace yourself for style that grabs attention with flair. The all-new Venue is all about drive, about style and most importantly making a statement that matches your vibe.



Dark chrome front grille



LED projector headlamps



Connecting LED tail lamps



Wireless phone charger



Puddle lamps



20.32 cm (8") HD infotainment system



Laxmi InterContinental Pvt. Ltd.
(An ISO 9001:2015 Certified Company) an entity of Laxmi Group Nepal

Hyundai Call Center No: 01-5970226

Dealership:

Bhaktapur: 01-6635266, 663747, 9801201104, Naxal: 01-4413934, 4413942, 9801201027, Thapathali: 01-5911553, 5911554, 5911556, 5911457, 5911558, 9801201011, Thapathali-EV: 01-5972626, 5913636, 9801201508, Maharegung: 01-5911009, 9801201103

Bharahawa: 071-575428, 9802606803, 9802606801, Bharatpur: 056-522776, 9801353761, 9801353765, Biratnagar: 021-460609, 9802763895, 9802780946, Birgunj: 051-527507, 9801087477, 9801005377, Biratnagar: 023-541405, 9802672044, 9802672041, Butwal: 071-415278, 9801943959, Dang: 082-563634, 9801347966, 9801347967, Dhargadi: 091-524492, 9802540105, Hetauda: 057-520200, 9855068578, 9802611989, Itahari: 025-587502, 9802776982, 980277966, Nepalgunj: 081-550427, 9802546481, 9802546482, Pokhara: 061-537426, 9801201010, 9801240155



VENUE

“Nepal is surrounded by two of the top five economies in the world and one-third population within its close radius. As the global economy reels from energy crisis, the demand for clean energy has increased within the regional blocks to sustain their economic growth. Nepal should seek this opportunity to attract international investments in the energy sector and arrange to build a closer integration with the South Asian market, especially India, to fuel their increasing demand for clean energy.

To unleash the tremendous potential in the country's energy sector and ensure Green Resilient Inclusive Development (GRID) model, the government should prioritise climate and environmental risks in energy projects to attract cheaper climate and energy investment into Nepal. The diplomatic ties with India and other regional countries should be strengthened to develop power exchange prospects and fulfill their ever-growing energy demand”

Nepali banks and financial institutions (BFIs) are facing the perennial challenge of loanable fund crisis that has in turn been escalating problems for borrowers due to short-term volatility of interest rates. Against this backdrop, tight financial conditions imposed in credit issuance hit almost every sector of the economy. Pushpa Raj Acharya of **Business 360** caught up with Sunil KC, CEO, NMB Bank and President of Nepal Bankers' Association to learn about how the slowdown in the economy affects BFIs and what are some of their strategies to navigate the banking sector during turbulent times. Excerpts:

Nepali banks are facing the perennial challenge of loanable fund crisis. What could be the solutions?

Moving towards a developing nation category by 2026, Nepal needs to have a greater appetite for absorbing private sector credit growth. The BFIs have already been managing deposits more than the size of the country's GDP

whereas its credit exposure is nearing the GDP size. The demand for credit is expanding as there has been a major funding gap in the growth of productive and development sectors such as energy, infra and commercialised agriculture as the country seeks to become self-reliant in these. The government must enhance investment in these sustainable sectors that in the longer term will provide more stability in the external sector.

A majority of banking loans in Nepal are predominantly funded through local currency deposits. Moreover, there has been a mismatch in assets and liability as long-term loans are currently being financed by short-term sources. The BFIs must address the assets liability mismatch by diversifying the sources. Nepali banks have already started to focus on External Commercial Borrowings (ECB) and have the potential to attract more Foreign Direct Investment (FDI) as Nepal currently remains one of the least FDI receiving countries in South Asia. There should be reforms in policies

and tax structure to attract more foreign investment and debts in real sectors for which the government should initiate obtaining Country Sovereign Ratings as well as introduce hedging options to safeguard against foreign currency risk.

The development of Capital Market, and Private Equity and Venture Capital should be emphasised and be seen as tools for raising equity in the country, while the focus should also be on the issuance of bonds in offshore and local markets and developing FX/Commodity Derivative Market to provide a platform for enabling physical market participants to discover and hedge their price risk.

It is believed that the BFIs' strategy to raise deposit rate has adversely affected borrowers as credit rate skyrocketed and pushed businesses into difficulties when they were already struggling with the manifold challenges caused by the pandemic followed by the impacts of Russia-Ukraine tensions?

The interest rate market in Nepal has always been volatile due to numerous market factors

directly or indirectly impacting liquidity. It's true that in the past few months, deposit interest rates have been increased by the banks; however, the decision to hike the interest rates was purely based on market determinants. During 2022 only, the United States Federal Reserve raised the federal funds rate seven times in its quest to tame inflation, and some countries have interest rates as high as 75%. All central banks worldwide have been raising interest rates to combat the rising inflation and it is expected to continue even in 2023.

If you reckon during the Covid period, the facilities given to the borrowers for their business survival, be it in the form of discounts in interest payment, restructuring and rescheduling facilities, waivers of penal interest in late payment of interest, additional Covid loan top-up or any other support were all provided at the expense of banks' profits'. The banks at the time diligently executed their responsibility as corporate citizen to support the economy even when they



Sunil KC
CEO, NMB Bank and
President of Nepal Bankers' Association

knew that it would significantly reduce their profitability and somehow compromise their overall risk on lending portfolio. The support passed on to the borrowers by the banks played a major part in reviving the country's economy within a year. Banks have always been compassionate towards the business community and understand that its survival depends upon the survival of business entities and the smooth functioning of the economy.

The cost of acquiring deposits has increased in many countries as the impact of Russia-Ukraine war has started to hit hard the economy worldwide. However, the hike in lending rates is not unnatural and relatively more stable or significantly lesser than the interest hikes in other countries. Moreover, if we compare our lending rates before the pre Covid period to the current interest rates, we can observe that the average lending interest rates at present is only around 1.5% higher.

Moreover, there are many determinants of interest rates, and the BFIs follow the Central Bank's guidelines on determining its base rates. In today's context, the operating cost of the banks has also been increasing and its return on investment has already decreased by over 50% in the last 10 years. Despite the adversities faced by the banking sector, it is still offering loans to Agri/SME/MSMEs at just 2% risk premium over its base rates.

BFIs have been considerate about the financial burden that the hiked interest rates in lending would cause to the businesses and have been trying hard to reduce or at least maintain the deposit interest rates within the same level. As the liquidity situation seemed to be improving, the banks just a month ago decided to lower the interest rates on deposit and will continue to monitor the situation to ease pressure on everyone.



The rising level of Non-Performing Loans (NPL) shows the greater extent of credit defaults. The business community has been seeking a certain period of moratorium again until the economy revitalises. Your thoughts.

The rising level of NPL is definitely a cause of concern for the BFIs. But one thing that's more troubling for BFIs is the struggle to service debt on a regular basis by the majority of SMEs and other businesses that were hit hard during the Covid period. However, the impact of Covid on the

performance of SMEs and the degradation of assets quality were expected to continue for some years to which most of the banks had started to adopt a cautionary approach in recovery efforts. However, the NPA of Nepali banks though increasing and requires greater caution, is still the lowest amongst South Asian banks. To combat the rising NPA level, the central bank at the request of Nepal Bankers' Association has included provisions to provide some relaxations to SMEs through its six months

review of monetary policy, which is expected to normalise the situation of NPA to a large extent in coming days.

Banks are alleged to having become more ruthless regarding the problems being faced by their borrowers...

Banks are one of the driving pillars of the Nepali economy and one of the most transparent sectors of the country as it always remains within the regulatory frameworks rolled out by Nepal Rastra Bank. Being a

responsible corporate citizen, banks are also accountable for the loan investments they choose for growth. As the economy is paralysed by many factors including Russia-Ukraine war, rising imports and reducing exports, fiscal imbalances, banks have additional responsibility to create a rational framework for credit growth and adopt a stringent credit risk measure.

BFI's are trust-based institutions. Depositors keep deposits in banks as long-term security for their earnings. The banks mobilise the deposits from customers in the economy in the form of loans based upon trust with the borrowers and provide returns to the depositors in the form of interest thus playing a part in the circular economy. Today, banks have been providing various banking services to the people by expanding to 752 out of 753 local levels, thus supporting financial inclusion and development of the local economy as well. Furthermore, the BFI's consider the borrowers to be their business partners as it has invested at least 70% in their business.

Having said that, there are sporadic voices who are protesting against the market principles and established practices with the hope that they could benefit from this situation which is not a good practice and not supportive as well for an overall revival of the economy. Any negative impact on the banking sector can disintegrate the overall economy for a long time. Also, the crisis in this sector may affect the credibility of Nepali banking in the international market. Blaming the BFI's is not a solution. Bank's interest rates are determined by market conditions rather than other activities to influence the will of free market.

Is there room for BFI's to be flexible?

Banks have always been considerate towards the growth of the private sector and accountable towards the growth of national economy. The hike in interest rates is not only the

cause of decrease in demand for credit. The adversaries on the country's external sector due to Russia-Ukraine war and other major international events, increase in dollar rates creating an inflationary pressure amid increase in prices of consumer goods have also resulted in decrease in credit demand. In this scenario, the businesses are also sceptical about expanding their business despite the banks readiness to invest in the productive sector.

Despite the rising cost of operations, banks have managed to keep the deposits interest rates steady and will reduce it when the liquidity scenario improves. This will help to reduce the lending rates in the future. Moreover, the half-yearly review of monetary policy has provisions to provide flexibility in loan repayment for SMEs which shall eventually be passed by the banks to the borrowers. Recently, the banks reduced the deposit interest rates by 1.1% which will help to bring down the cost of borrowings in the future.

The central bank has lifted the requirement of cash margin while opening LCs. What does it indicate?

The policies adopted by the central bank are in particular making the entire banking sector safe and more robust. In order to support the overall economy of the country and to balance inflation, it is within the jurisdiction of the central bank to regulate credit flow through different measures. All macroeconomic indicators were at severe stress when the central bank issued the requirement of cash margin while opening LCs for imports. The foreign currency reserves quickly depleted, and trade deficit was widening adding more pressure on market liquidity. The cash margin requirement in LCs for imports was successful in decreasing the import levels from that of last year and improving the foreign currency reserves as well as we can see. In the past few months, there are signs of improvements in the external sectors with overall surplus in Balance of Payments.

The country's inflation has decreased from over 8.08% in the beginning of the fiscal year to 7.26% by the end of six months in the current fiscal year. With NRB lifting the cash margin requirement in LC, the import volume is expected to rise in coming months and add to building government revenue thus avoiding the situation of fiscal deficit.

Global economic situation is predicted to be more adverse in 2023. The International Monetary Fund has projected a slowdown in global growth to merely 2.7% and the per capital income of the developing economies will hover below the Covid 19 period. What sort of challenges do you foresee in Nepal's economy and particularly in the financial sector this year?

Current global issues, including the Russia-Ukraine war, the stalemate situation between the US and OPEC countries in oil production, the China-Taiwan standoff, and the prolonged impact of Covid in China disintegrating global supply chain have primarily affected the world economy. Nepal's economy being largely dependent upon imports has not remained unfazed by these international incidents. The cost of living has considerably risen due to the increasing cost of dollars leading to higher inflation than the preceding year. These geopolitical issues have also resulted in energy crises, currency depreciation, increase in interest rates and dampening business confidence across many countries worldwide, including Nepal.

Slowing economic growth and possible global recession could have a direct impact on tourism, remittance and export. The slump in the economy has resulted in lower business confidence and less demand for credit offtake. The delayed and significantly lower budgeted capital expenditure by the government and early indications of fiscal deficit could also deliberately impact the banking sector going forward.

The performance of the banking sector primarily reflects the performance of

the economy as a whole. As the economy is saddled by inflationary pressures, trade deficits and fiscal deficits, it has adversely affected the banking sector as well. The prolonged tight liquidity situation has slowed down overall business growth and profitability of almost every sector in recent times. There has been a meteoric rise in non-performing loans of BFI's due to declining market activities and businesses inability to repay loans. The imminent global recession could further worsen the situation as it could directly hit the remittance inflow in the country.

However, despite the adversities and challenges, the Nepali economy, as in the past, does have the potential to bounce back, to which the banking sector will continue to be a prime facilitator. The banking sector has already passed through various externalities throughout its history and has always emerged to be resilient, performing better than most South Asian countries. The BFI's have been contributing to overall financial inclusion with presence in all local levels as it is also one of the major contributors of tax revenue to the government and a key driver of economic growth. However, for a resilient banking sector, it needs support from each member and entity in the society to be transparent, accountable, and responsive in all their endeavours and actions.

The central bank has been encouraging the consolidation of BFI's through mergers and acquisitions. Is this to bring stability to the financial system?

Banks and financial institutions are in a serious business of managing people's money and acts as one of the major players of the economy. As the economy expands, it becomes imperative for these BFI's to expand its capital base as well to funnel further credit growth. Furthermore, there has been a growing challenge for BFI's to keep up with the regulatory costs, while at the same time there is

a heightened need for them to invest in digital infrastructure and security systems. As the BFIs have to compete in the same market, it has started to become difficult for many to deliver consistent return to shareholders as well.

The best way to strengthen the BFIs in this scenario and achieve growth in the longer term by seizing market opportunities is the consolidation of like-minded BFIs. This is also vital for the BFIs to strengthen their market presence with sound retail deposit and lending portfolio, reduce their loan-loss provision and NPA level, improve the geographical mix of their business and strengthen capital base to funnel future growth.

The strengthening of BFIs will definitely bring a stability in the financial system. The mergers and acquisitions of BFIs in the financial sector so far has delivered a fair result and bolstered their capability to deliver a consistently superior growth.

But with multiple mergers and acquisitions, have banks become too big?

The size of the economy has been continuously growing and this has increased the demand for credit. The United Nations Committee for Development Policy (CDP) in 2021 recommended Nepal's graduation from the least developed country category to a developing country. We have already witnessed two scheduled federal and local level elections, which is expected to further institutionalise the federal structure and support the development of the local economy. The country is also a part of United Nation's Sustainable Development Goals and to fulfil which the government is required to make huge investments in different sustainable sectors. As the size of the country's economy gets bigger and the local markets are further developed, there will be ample opportunities for BFIs to expand their business as well and achieve a justified profit.

Moreover, Nepal's proximity with the two largest economies of the world and their more than ever increasing demand for clean energy offers banking sector a tremendous potential to expand their portfolio in the sustainable sectors.

The growing youth population of the country and their potential demand for new-age banking will also pave a more sustained path towards financial prosperity for the banks.

The country as part of its Sustainable Development Goals has nationally determined contribution of generating 15,000 MW of energy and major improvements in other infra projects to fulfil which requires a huge funding from the private sector. There is also the opportunity for larger banks with strong capital base to bridge the funding gap particularly in infra and hydro-sector. Moreover, the increased capital base will also allow domestic banks to plan expansion into international markets and realise bigger dreams.

Many experts argue that the pitfalls to having bigger banks outweigh its benefits. What do you have to say on this?

The banking sector is one of the most regulated sectors. Moreover, being one of the key contributors of the country's economy, BFIs need to maintain a high degree of governance and transparency in all its endeavours. Nepal's banking industry is still going through a developing phase. The growth in the number of financial institutions before mergers and acquisitions were prioritised by the central bank was the prerequisite to increase financial inclusion and access to credit, given the need to grow local markets throughout the country.

The growth of local credit demand and the saturation of urban-centric markets to catapult further growth required banks to move to new markets thus forcing them to compete

in the same regional and local markets for the same pie. This situation would eventually lead to mergers as the banks also need to focus on its bottom-line profit. When Nepal Rastra Bank started to pass the benefits of mergers and acquisitions to BFIs, it also provided an opportunity for them to strengthen their market position and diversify portfolio sources.

However, despite the mergers and acquisitions to be the bigger bank, the banking sector will continue to remain within regulatory frameworks and will adopt best international practices in governance. The talents in this sector will continue to be absorbed within the industry as the banking sector continues to go through a paradigm shift with the advent of digitalisation in the country and the need to adopt more agility in its operations. The talents from the banking sector will also find new opportunities in other sectors as in the past thus institutionalising and increasing performance and governance standards of those sectors as well.

With the consolidation policy substantially minimising finance companies, development banks and sub-regional development banks, will it limit SMEs' access to credit?

I personally don't think that the consolidations so far have limited SMEs' access to credit. All kinds of BFIs operate in the same market and compete for the same business pie. The banks have expanded to 752 local levels out of 753 within the country. The opening of new physical branches in growing markets has been increasing. In fact, even after the mergers and acquisitions of many BFIs, the number of branches throughout the country has increased compared to what it was prior to M&A.

Your suggestions to policymakers to bring the economy back on track?

The government must have a single agenda of economic development as the country can no longer sustain

economic backlash arising due to political deadlocks. To create momentum in the domestic economy, the government must expedite capital expenditure with a significant focus on sustainable mega infrastructure projects. There should be a particular focus and support on tourism to revive the industry and develop it as a reliable source of foreign currency. The government should prioritise direct banking finance to real economy sectors such as agriculture, energy, tourism, etc., to gradually become self-reliant in these sectors and achieve sustainable growth. The focus should also be on a low-carbon economy to seek international investment opportunities.

The strategic geolocation and neutral ground offer Nepal plenty of opportunities to facilitate growth in the region. Nepal is surrounded by two of the top five economies in the world and one-third population within its close radius. As the global economy has been reeling from the energy crisis, the demand for clean energy has increased within the regional blocks to sustain their economic growth. Nepal should seek this opportunity to attract international investments in the energy sector and arrange to build a closer integration with the South Asian market, especially India, to fuel their increasing demand for clean energy.

To unleash the tremendous potential in the country's energy sector and ensure Green Resilient Inclusive Development (GRID) model, the government should prioritise climate and environmental risks in energy projects to attract cheaper climate and energy investment into Nepal. The diplomatic ties with India and other regional countries should be strengthened to develop power exchange prospects and fulfil their ever-growing energy demand. **B**



RAIZE



RAISE THE VIBE



“Currently existing mutual funds that have completed more than five years and those mutual funds that have already matured in Nepal have provided an average annual return of 15.76% including both capital gain yield and dividend yield. The average total yield of these funds is more than 85%. Additionally, if we simply consider mutual funds that have already reached maturity, they have given their unit investors an alluring average annual return of 24.12%. However, the average annual return in the fixed deposit rates provided by banks and financial institutions (Class A, B and C) in the past seven years (2015-2022) is 8.57% and the average annual return from the mutual funds traded in Nepal Stock Exchange is 15.76%”



Sachindra Dhungana

Deputy General Manager, NIBL Ace Capital

With the mutual fund market gradually gaining traction in

Nepal, **Business 360** spoke to Sachindra Dhungana, Deputy General Manager, NIBL Ace Capital, to get a better understanding of how the mutual fund market has developed in Nepal and its investment benefits.

Dhungana is a Qualified Chartered Accountant from the Institute of Chartered Accounts of Nepal and also holds a diploma in International Financial Reporting Standards (IFRS) from ACCA. It has been more than ten years that he has been working in the field of auditing, accounting, consultancy, advisory and investment banking. He also has pioneer experience in mutual fund management, assets management and corporate advisory services in the Nepali capital market. Dhungana was previously associated as with SR Pandey & Company Chartered Accountants, NIBL Capital Markets and Nabil Investment Banking. Excerpts of an interview:

How has the mutual funds market evolved in Nepal and how do you see its growth in the coming years?

Mutual fund is a professionally managed investment fund that pools money from many investors to purchase securities. In this era of globalisation and competition, success of an industry is determined by the market performance of its stock. In the initial days, the growth of mutual funds in Nepal was very slow and it took a really long time to evolve to the modern-day mutual funds.

The first mutual fund introduced in Nepal was the NCM mutual fund by Nepal Industrial Corporation in 1993. It had a maturity period of 10 years and hence closed by the end of fiscal year 2000/2001 AD. The Securities Board of Nepal (SEBON) officially

issued directives known as the 'Mutual Fund Regulation, 2067 in 2067 BS. In Nepal, there are currently 37 mutual funds out of which 31 are close-ended mutual funds and six are open-ended mutual funds.

Mutual funds are still in a growing phase in Nepal where multiple new mutual funds are introduced every year. Such kind of growth has helped broaden the relatively new capital market of the country and has helped small-time investors with secured and high returns. It has potential for even higher growth as it opens the door of opportunity to anyone with any amount of investment capital but no knowledge or resources and also because it is generally considered that mutual funds fare well in small markets such as Nepal.

We were pretty late in introducing the mutual fund concept in the country when compared to other countries. Your thoughts.

The concept of mutual funds has been around for a long time with the Dutch being regarded as the early creators of the first type of mutual fund believing that the diversification would appeal to investors with low capital. Mutual funds really began to capture the imagination of investors around the 1980's and 90's when it hit record highs with incredible returns for many American investors and have been mainstream ever since.

Comparatively, the history of mutual funds in Nepal began with the introduction of 'NCM Mutual Fund 2050' in 1993. The Mutual Fund Regulation 2010 has played an important role in the development of mutual funds as there has been significant progress after its implementation. Comparing the ratio of mutual funds, it can be seen that there is less attraction of investors towards mutual funds in the Nepali market. However, it is seen that the proportion of investment in mutual funds has increased in recent days. The success of any mutual fund, a popular means

of investment, depends on how effectively any merchant banking facility has been able to understand the level of influence of these factors on the decision of investors to invest in mutual funds.

With the passage of time many opportunities are available to investors to invest their money in different investment channels. One such channel is to invest in mutual funds along with effective financial management. Mutual funds have seen a tremendous growth in the last few years. This is the result of combined efforts of financial institutions and fund managers who come to one's rescue by educating investors and making them aware of the mutual fund schemes through different modes of promotion.

What are the major areas of investment that NIBL Ace Capital focuses on?

The major areas of investment that NIBL Ace Capital focuses on are:

- Listed securities that are registered with SEBON
- Bond and Debentures
- Securities called for public offering (IPO, FPO, right shares)
- Money Market Instruments
- Bank Deposits
- Others sectors/areas prescribed by SEBON

Mutual funds are considered to be important to minimise risks associated with investments. Could you please elaborate on how risks are minimised for the investor?

For investors with limited time to spend watching the ups and downs of the markets, mutual funds offer a good alternative due to the following reasons:

- Mutual funds offer diversification or access to a wider variety of investments than an individual investor could afford to buy.
- Mutual funds are supervised by experienced fund supervisors who have vast experience regarding technical and functional overview of the financial markets.

- The investments made in mutual funds by the fund supervisors are done through extensive research and market analysis.
- Monthly contributions in the case of SIP's (Systematic Investment Plan) help the investor's assets grow.
- Mutual funds are more liquid because they tend to be less volatile.
- Investors get professional investment management services through mutual funds.

Low returns on mutual funds are touted as the main reason for a lukewarm response from the public. Will this change?

Well, it is not true that mutual funds have low return; it is just a misconception in people's mind. We will have to look at the data for this; currently existing mutual funds that have completed more than five years and those mutual funds that have already matured in Nepal have provided an average annual return of 15.76% including both capital gain yield and dividend yield. The average total yield of these funds is more than 85%. Additionally, if we simply consider mutual funds that have already reached maturity, they have given their unit investors an alluring average annual return of 24.12%. However, the average annual return in the fixed deposit rates provided by banks and financial institutions (Class A, B and C) in the past seven years (2015-2022) is 8.57% and the average annual return from the mutual funds traded in Nepal Stock Exchange is 15.76%. This data justifies that investment in mutual funds beats average fixed deposit rates. Moreover, being professionally managed, the fund supervisors take calculated risks backed by appropriate research while investing the fund pooled from the investors. Thus, it won't be wrong to say that mutual funds provide comparatively better returns and hopefully will gain popularity in the market with the passage of time.

Mutual fund trading in the stock market is quite insignificant. What could be the reason?

I think discouraging the trading of mutual funds in the stock market could be a solution, because mutual funds are usually for longer period of time and trading in stock market is for short term. People trading in the stock market expect returns and high profits in shorter time span, but what they are not aware of is the higher the return you expect, the higher the risk you take. Hence, we could encourage a Systematic Investment Plan (SIP), more popularly known as SIP which is a facility offered by mutual funds to the investors to invest in a disciplined manner. SIP facility allows an investor to invest a fixed amount of money at pre-defined intervals in the selected mutual fund scheme. The fixed amount of money can be as low as Rs 1,000, while the pre-defined SIP intervals can be on a monthly/quarterly/semi-annually or annual basis. By taking the SIP route to investments, the investor invests in a time-bound manner without worrying about the market dynamics and stands to benefit in the long-term due to average costing and power of compounding. With this scheme I believe that the misconceptions about mutual funds will lessen and also people might be interested in mutual funds and their schemes even in the stock market after understanding its concept fully in the future.

Are there any government policies you would like introduced or amended for the mutual fund market to grow?

In order to get a perspective on what policies can be introduced or amended for the mutual fund market to grow, we need to first get a bigger picture of what is happening in the global scenario. The main goal for investing in any mutual fund for an individual is to see their

investments grow at a higher rate compared to fixed deposits offered by the banks. In order to attract more individuals to mutual funds there has to be a tax benefit associated with it. In India, the capital gains on mutual funds are not taxable. Similarly, the net income of the fund is also not taxable. The unit holders in India also do not have to pay Dividend Distribution Tax (DDT) unlike in Nepal. Changes in policies regarding tax benefit would definitely boost the mutual fund industry in Nepal.

Secondly, there are limited avenues where fund managers can invest in the mutual fund industry in Nepal. Introduction of new money market instruments such as forwards, futures, options and swaps; commonly known as derivatives will play a pivotal role in boosting the mutual fund market. This will provide fund managers a wider range of investment avenues through which they can reduce their risks. In India, the Securities and Exchange Board of India (SEBI) permits mutual funds to use derivatives for hedging purposes. The mutual fund can hedge its equity investments using derivatives. Besides this, derivatives are also used for arbitrage strategies by mutual funds.

In a nutshell, the mutual fund industry in Nepal has reached its maturity but there is still room for more growth. In order to attract more individual investors, tax benefits associated to mutual funds have to be implemented. For the overall growth of the mutual fund industry as well as the Nepali capital markets, introduction of new money market instruments is also imperative.

For the layman, could you explain the difference between close-ended and open-ended funds?

Mutual funds in Nepal are differentiated as two types, based on their investment structure, i.e. whether they are

open-ended funds or close-ended funds. The difference between open-ended and close-ended funds is a function of investment flexibility and the ease with which they can or cannot be bought or sold. An open-ended mutual fund refers to a mutual fund that issues directly to investors and redeems them, based on the fund's net asset value (NAV), which is computed daily. Open-ended mutual fund has no fixed maturity date and is perpetual in nature.

A close-ended fund is a type of mutual fund whose shares can be purchased and sold on a stock exchange. It is called close-ended because it has a fixed number of shares outstanding and no new shares will be issued by the fund after its initial public offering. Close-ended funds also have a fixed maturity date.

People often ask which is better. We believe an open-ended fund is a much better option as it allows you to invest anytime you wish based on the surpluses you have in hand and that they are highly liquid as they can be redeemed anytime. Open-ended funds are also a better option as you can start investments with a small amount and can also invest through SIPs for the long term to meet your financial goals. These are the key differences between open-ended and close-ended funds which gives open-ended mutual funds an edge over close-ended mutual funds.

Are there any new offerings from NIBL Ace Capital in the near future?

NIBL Ace Capital is in the process of launching a new mutual fund scheme named 'NIBL Stable Fund'. For this purpose, we have already submitted the application to

the Securities Board of Nepal (SEBON) on September 23, 2022. This is a close-ended mutual fund scheme where we are planning to issue 100 million units at a par value of Rs 10. Hence, the total issue amounts to Rs 1 billion.

On September 4 last year, NIBL Ace Capital received the Fund Manager Licence for Specialised Investment Fund from SEBON. This licence has not only opened the doors for prospective investors but also investors who are seeking to make investments in unlisted companies and projects where detailed investment analysis is required in pre-investment phase and efficient portfolio management in post-investment phase with proper exit strategy. In a nutshell, the business dynamics are no longer limited to IPO related merchant banking services, but the services have widened from consultancy to investment funding to the institutions project assessment to project management. Private Equity and Venture capital (PEVC) is a newly introduced alternative financing model in Nepal. Looking at the current trend PEVC could gain importance in Nepal. SIF regulations are a beginning and one cannot expect it to be perfect already. Harmonisation of different Acts and regulations (like Industrial Enterprise Act, Income Tax Act, FITTA, etc) in line with SIF regulations are needed. SIF regulations itself need to clarify a lot of issues. SEBON should be able to function as a facilitator on approvals, regulatory compliance, tax matters and provide one-point solution in bringing investment, creating fund and making investments. We have smaller funds at present, we can attract sector agnostic and sector specific bigger size funds by simplifying the process. Growth of PEVC industry can create a significant impact on Nepal's economy by availing collateral free risk capital making PEVC funds 'an impact fund' in the real sense. **B**

HONDA
The Power of Dreams



THE ALL NEW HONDA CITY EXPERIENCE SUPREMACY



INTRODUCING
HONDA

CITY

5th Generation



FIRST 20 CUSTOMERS OFFER

FREE 1 YEAR
INSURANCE

FOR BOOKING: 9801161793 / 9801124040

5 YEARS
FREE SERVICE

Honda Cars Showroom, Dheoghhat, Ring Road, Lalitpur
E: sales.car@syakarthonda.com
www.honda.com.np

Syakar
Trading Company Pvt. Ltd.



THE UNSEEN COST OF GOVERNMENT LARGESSE

Every dollar the government must borrow is a dollar not available for private businesses or individuals to borrow, and that reduces future economic growth and job creation.



NATHAN J. RICHENDOLLAR
IS A SUMMA CUM
LAUDE ECONOMICS AND
POLITICS GRADUATE
OF WASHINGTON AND
LEE UNIVERSITY IN
LEXINGTON, VA.

The US government recently hit its \$31.5 trillion debt limit after years of careening baseline spending on entitlements combined with emergency

Covid 19 spending in the last few years to produce record-busting deficits. The new Republican majority in the House of Representatives, elected largely on economic concerns like inflation and runaway spending, now faces an obstinate Senate and White House. A showdown appears likely as does the ritual brow-beating of all those who object to simply raising the debt limit “without conditions,” as President Biden demands.

To those who will inevitably cry, “Don’t use the debt ceiling as a negotiating tool!” over the coming weeks and months, it should be pointed out that it is the only tool that has been even remotely effective at taming Congress’s appetite for spending. In the same way that an intervention is only possible when a drug addict is in crisis, debt limit negotiations are the only context in which Uncle Sam has accepted even modest constraints on government spending in recent decades.

Conservatives and libertarians rightly decry the rapidly-expanding national debt as an embarrassment, a threat to the nation, a root cause of inflation (as the Federal Reserve must expand its balance sheet to purchase the Treasuries that finance these huge deficits, as happened most clearly in the pandemic’s peak), and a promise of higher future taxes. While all these are accurate observations, one effect of massive government spending and deficits is often overlooked in the standard conservative critique: the forgone private investment of capital and

therefore forgone economic growth, often termed the “crowding out effect.”

The basic idea is that there exists a total sum of money, or financial capital, that individual and institutional investors are willing to loan out or invest. Most economists call this the “loanable funds market.” The supply of loans, as with any supply curve, slopes upward and to the right. In other words, as the interest rate (the price of a loan) rises, more people will be eager to supply loans. In contrast, the demand for loanable funds slopes, like a normal demand curve, downward and to the right. That is, as the interest rate goes down, more people are interested in borrowing money. Just think of any normal supply-demand graph, but with the good in question being a loan rather than a physical good or a service, and the vertical axis labeled “interest rate” rather than “price,” as in other markets.

The demand for loanable funds is a function of how much capital investment businesses need (which is itself a function of how profitable

4 Government spending does not multiply the economic power of money, it diminishes it. If the opposite were true, Cuba, North Korea, and Venezuela would be among the wealthiest nations on the planet, since nearly all economic activity is facilitated through government spending in those nations.

those capital investments are), what quantity of money consumers need for purchases like homes and new vehicles, and how much money the government needs to borrow. In a game where the total supply of loanable funds per year is set, say at \$5 trillion, every \$1 trillion the government runs up in deficits is \$1 trillion less available for private investment in the innovations that improve quality of life, bring us new medicines, and create new jobs.

Increased government deficits shift the demand for loanable funds to the right. As any student of elementary economics knows, this increases the price, or in this case, the nominal interest rate. Many private sector projects that make sense at 4% interest are no longer acted upon if the government runs such a large deficit that the interest rate must increase to 7% for investors to shell out the cash necessary to finance that deficit. Increasing the supply of loanable funds through monetary expansion, as happened in the Covid pandemic with breathtaking



speed, can temporarily hide this effect. However, this spurs inflation that reduces real returns and hampers economic growth (the stock market's dismal returns since runaway inflation started in late 2021 is one example of this result).

In contrast to the Keynesian "money multiplier" theory, which insists that government spending stimulates the economy by circulating money via transfer payments that otherwise would have remained in savings and uncirculated, savings in nearly all developed countries are not locked away gathering moths and rust, but invested. Of every dollar put in the bank, more than 90 percent is invested in loans for commercial enterprises, in home loans, and in

bonds, and this doesn't account for the fact that a larger and larger share of surplus savings in the United States are not in the traditional banking system, but in brokerage accounts, 401(k)s, and elsewhere.

Government spending does not multiply the economic power of money, it diminishes it. If the opposite were true, Cuba, North Korea, and Venezuela would be among the wealthiest nations on the planet, since nearly all economic activity is facilitated through government spending in those nations. That they are not, but that nations with relatively free markets such as the United States, Singapore, the United Kingdom, and Japan punch above their weight

4 Every dollar the government must borrow is a dollar not available for private businesses or individuals to borrow, and that reduces future economic growth and job creation.

economically suggests that private investment in the innovations and technologies of tomorrow everywhere and always beats government transfer payments in facilitating economic growth.

Every dollar the government must borrow is a dollar not available for private businesses or individuals to borrow, and that reduces future economic growth and job creation. With America's debt now hovering near 125 percent of GDP (before netting for debt held by government entities) and deficits topping \$1 trillion yearly as far as the eye can see, we can no longer ignore this drag on the American economy. **B**

Source: fee.org

BOOK OF THE MONTH

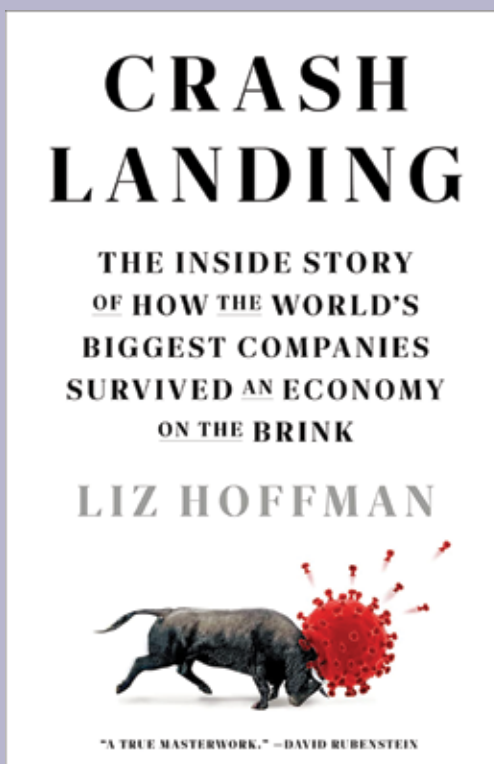
Crash Landing: The Inside Story of How the World's Biggest Companies Survived an Economy on the Brink

Author: Liz Hoffman

A kaleidoscopic account of the financial carnage of the pandemic, revealing the fear, grit, and gambles that drove the economy's winners and losers—from a leading business reporter

It was the ultimate test for CEOs, and almost none of them saw it coming. In early March 2020, with the Dow Jones flirting with 30,000, the world's biggest companies were riding an eleven-year economic high. By the end of the month, millions were out of work, iconic firms were begging for bailouts, and countless small businesses were in freefall. Slick consulting teams and country-club connections were suddenly of little use: Business leaders were fumbling in the dark, tossing out long-term strategy and making decisions on the fly—decisions that, they hoped, might just save them.

In *Crash Landing*, award-winning business journalist Liz Hoffman shows how the pandemic set the economy on fire - but if you look closely, the tinder was already there. After the global financial crisis in 2008, corporate leaders embraced cheap debt and growth at all costs. Wages flatlined. Millions were pushed into the gig economy. Companies crammed workers



into offices, and airlines did the same with planes. Wall Street cheered on this relentless march toward efficiency, overlooking the collateral damage and the risks sowed in the process.

Based on astonishing access inside some of the world's biggest and most iconic companies, *Crash Landing* is a kaleidoscopic account of the most remarkable period in modern economic history, revealing—through gripping, fly-on-the-wall reporting—how CEOs battled an economic catastrophe for which there was no playbook: among them, Airbnb's Brian Chesky, blindsided by a virus in the middle of a high-stakes effort to go public; American Airlines' Doug Parker, shuttling between K Street and the White House, determined to secure a multibillion-dollar bailout; and Ford's Jim Hackett, as his assembly lines went from building cars to churning out ventilators.

In the tradition of *Too Big to Fail* and *The Big Short*, *Crash Landing* exposes the fear, grit, and gambles behind the pandemic economy, while probing its implications for the future of work, corporate leadership, and capitalism itself, asking: Will this remarkable time give rise to newfound resilience, or become just another costly mistake to be forgotten?

Panasonic Life Solutions India recently opened its 21st exclusive interior solutions showroom in Kathmandu in collaboration with its local partner Rukmani Group. Rahul Thakkar, General Manager – Housing BU of Panasonic Life Solutions India, was in the country to inaugurate the new showroom.

During his visit, **Business 360** got the opportunity to speak to Thakkar about the life solutions market in general and also about Panasonic's vision to develop the market in Nepal. "We have been revolutionising the industry within the SAARC region for quite some time now and we have entered the Nepali market to continue with this journey," he said.

Thakkar mentioned that the Panasonic Housing BU is a very important division for Panasonic Corporation and assured that the company will be providing the best products and services to customers here keeping in mind the 103-year-old legacy of the company. "We have just entered the market here but I am confident that with the type of products and services we have to offer Panasonic will be able to lead the market within a couple of years," he stated. Excerpts from an interview with Thakkar...

Previously, Panasonic was renowned for electronic goods. Why this shift to life solutions segment?

Actually, the BU division is not a new one and this journey started in 1958. We are a company that has had a remarkable impact in the interior solutions market across the world. And within that kitchen solutions is one product that we are focusing on right now. We also have other products like smart flooring and cladding to name just a few. We provide solutions as per the need of the consumer. In fact, we do have doors, smart toilets and smart bathrooms too. So this journey for Panasonic has been a long one but as I speak I must say that kitchen is one of the most important divisions for us. We have



Rahul Thakkar

General Manager – Housing BU Panasonic Life Solutions India

business worth more than a billion dollars in this segment worldwide right now. We have already installed six million kitchens across the world and counting. So, I wouldn't say

it is a new introduction. The fact that we have installed six million kitchens means we have touched the lives of six million homes. At present, we have been installing around three

lakh kitchen units annually. We have had a huge impact on the lives of people who have availed the solutions provided by Panasonic.

What do you feel separates Panasonic from the other brands that are available in the market?

Firstly, it is a Japanese product which means there is trust and belief in our products. Everybody across the world is always looking for value-for-money solutions. The other reason I would say is our products are very sturdy and it saves you time and money because they are low-maintenance products. Lastly, the reason why I would say our products are different is due to the after sales service we provide in any market that we operate in. It is not limited to just selling a product, we sell you a solution to make your life better. These are the four Japanese ethos we have imbibed and I must say these four aspects are very important for any consumer living anywhere in the world. This is not limited to only our interior solutions segment, you will be able to feel it even in our electronic products and wall solutions or anything that we deal in. We not only deliver products, we deliver trust. And in this segment, especially the kitchen business, I doubt if you will be able to recall any other brand which provides the solution the way Panasonic does. Previously, there was a vacuum of trust in this particular market and in all these years we have helped fill that void. Any Panasonic product is a lifetime product. When you come to us we will give you a complete solution. Like what I always emphasise on is that we are not selling you just a kitchen with the required hardware but we are selling you a concept. It is very tiring for the customer trying to understand all the technical aspects of a product and we act like a bridge for them. What adds even more value to our products is the confidence in our after sales service.

After sales service for any product is very important. In fact, it has become the most important factor today. With the support of Rukmani Group, our local partner, we have set up a technical team here. The

people who instal our products are a technical team trained by Panasonic. Along with that we provide 10-year warranty on our products. There is no compromising as far as quality goes. We give two free services annually for the first three years. This also increases our bonding with our clients. Whatever we are doing in India we will be bringing that in Nepal too. We want to be build an association with our customers.

Panasonic is a premium brand as compared to other brands available in the market. So, have you planned anything regarding the pricing for the market here?

Our products provide the luxury that people seek. We have introduced products in different price ranges. For instance, we have brought the L Class series and the I Class series of kitchens keeping in mind that every person will have their own requirements according to their budget. So, we say the journey with Panasonic is for the mass and also for the class. We have always placed our products in the affordable luxury category. You can afford it and at the same time also get a luxury experience. That has always been the tagline for our kitchens. I would say our products are for everybody.

Among all the various products that Panasonic manufactures what is the reason behind this special focus on kitchens?

There are actually two reasons behind this. What you will notice is that in the SAARC nations we tend to use more products. And then we also need to think of the society and the nature. We were the first in the world to introduce the eco-friendly kitchen, which is of a very high standard and we save on the cutting down of trees that are needed to manufacture our products. Also, what you will notice in this segment is that consistent quality and finishing are missing. Usually, when you do handwork for these products those aspects are missing. However, we use state-of-the-art technology in our factories

in Japan to manufacture our kitchens so that we can deliver a lifestyle product which comes with consistent quality and second you help the world save in cutting down trees also. So you get both the benchmarks together. In wood solutions we have not limited ourselves to only kitchens. We have furniture, doors, flooring. So we have a complete plate to offer. Since there was a vacuum of smart tailoring work in these products we decided to focus on this segment.

Till date our products are being manufactured in Japan. There is no manufacturing plant in India and there are no plans to open one right now. We want to be associated with the Japanese quality and benchmark. But even though our products are manufactured in Japan we keep in mind to control our pricing.

How do you view the market of the life solutions products globally and for Panasonic in particular?

When you look at the market in the SAARC nations in the last five years there has been an increase in the shipping of modular kitchens by 17% to 20%. So it is transforming quite quickly. At the moment there is also a shortage of skilled craftsmen who can make these products as per the expectations of the customers. That is why we need a product that can really give the dream solution to the consumer. The increase in the shipping of such products by 17% to 20% means it is more than double the rate at which the economy is growing. So this industry is booming at the moment because consumers need a proper solution. And we are a complete solution company. Not only kitchens, we also have wardrobes, flooring, exterior cladding, everything I would say. So we are a one-point solution for consumers. That is the reason we have been growing.

How will you be collaborating with your local partner, Rukmani Group, in Nepal?

The main reason why we chose Rukmani is because it is a

group with a vision. We want to bring our world-class products to Nepal and set a benchmark here. We want to set a trend and we believe they will be able to achieve the numbers based on mutual expectations. Another reason why we chose to partner with Rukmani is they invest very well not only in the products but also in expansion and the social life. So, any company will always be looking for a partner who has a vision and good social bonding and connect. Everything needs to be done mutually. They have this understanding of our vision as Panasonic and we will be continuously bringing the next generation products to Nepal. We have plans to expand our presence in the other key cities and towns of Nepal after a year. We will have to expand because we need to reach the customers for them to experience the product. I am sure with the support of our local partner we will be expanding to more places within the country.

How do you view the future of the life solutions market in Nepal?

I would say that Nepal is growing at quite a good pace. Yes, there will be hiccups along the way but overall the country is doing tremendously well and when we see the potential of growth in the country we are happy about it. We came to Nepal because we want to be a part of that growth. While speaking about Panasonic, I am confident of our growth here as we have the right partner and we will connect with the right consumers. So, when we have more stores in the country to connect with more customers we see this country as a good market. The market here definitely has the potential. Moreover, due to the Covid pandemic people's mindsets have also changed. They want to live a better life, enjoy life because you don't know what could happen in the future. So, you will see people are spending more these days to lead a more comfortable life. **B**

“Digital is dynamic, so the threat is in the dynamism which means that there will be something which is going to change every day. Things are changing. So, I think dynamism is the main issue and I would not actually call it a threat. It is just that continuous change is sometimes difficult for a lot of people, and I think in digital that's what you need to know”

Since its inception in 2016, Indian Institute of Digital Education (IIDE) has become Asia's most trusted digital marketing training institute. IIDE leads the way in creating great experiences for their students and has a 500,000+ learner community with 87% placement rate. IIDE was launched in Nepal in January 2023. Rishi Agrawal and Anchita Bhimsaria have partnered with Karan Shah, founder and CEO of IIDE, an edupreneur to bring IIDE to the country. Shah was in Kathmandu to launch the brand during which **Business 360** met him to understand the ethos of IIDE and its plans for the market here.

Shah's journey as an edupreneur began about 12 years ago when he returned to India after completing his studies from Harvard University. It was also the time Twitter and Facebook were first entering the Indian market. His sister started a digital marketing agency and was his first employer. Shah started teaching digital marketing strategy to customers. “People loved the way I taught and after about a year I was called to give lectures in different universities which motivated me to start IIDE,” recalls Shah.

Within a few years, IIDE has become a leading digital marketing institute in India. Shah says there are a couple of factors which helped the company grow but it was the Covid pandemic that became a blessing in disguise for the company. “Digital marketing training picked up rapidly with everything going online,” he states. “At the time every company was investing in digital marketing and everybody started buying digital marketing courses. From



Karan Shah

Founder & CEO, Indian Institute of Digital Education

1,000 students we expanded to 3,500 during the pandemic,” he shares.

Excerpts of a conversation with Shah:

Could you tell us about the growth of IIDE?

There were two basic factors that helped us when we first launched. Since we were initially a small company, we

were able to cater and give our 100% to each student. That helped us a lot because word started spreading among students about the emphasis we laid on each student in our classes. As a result, enrolments started rising. Growth for us has been very organic, it has been consistent.

The other factor that helped us was the appointment of

Narendra Modi as the Prime Minister of India. When PM Modi came to power, the first campaign he ran in 2015 was ‘Digital India’. He slashed internet rates significantly and ensured that phones were available in India under \$100 on EMI schemes. For the first one year he ensured that everybody in India got a free SIM card. Hence, from being a non-digital

country, in less than a year India became a digital country. This too helped our company grow because more people were going digital.

What are the benefits of multimedia/digital education?

There are a lot of skills that you can learn from digital education. And the best aspect about it is that you can learn these skills from home, in a private setting. All you need is a computer and internet connection. Another fantastic factor is there is no age bar for entry. So, you can be a 16-year-old or a 35-year-old person, if you have the skills you are treated equally. Also, there are no eligibility criteria in terms of educational background. The only eligibility criterion to join is that you have to be interested. One important benefit is also that you can sit at home and export this skill to foreign countries and earn foreign currency. These are some of the advantages of having digital skills in your pocket.

How will the digital market benefit Nepal and who is your target group here?

Nepal, as a country, has moved from five million users to over 10 million users from a population of around 30 million. So, 33% of the population is online. It is estimated in the next three years the number of users will rise to 16 million which means 50% of the population will be online. I think most of the trade activities like buying and selling are going to happen online. Hence, like in India today where online stores have sales equal to that of brick and mortar stores, Nepal will also have a majority of these trade activities taking place in the digital sphere. This will tremendously benefit the country as people will be able to access information and products in the small nooks and corners of the country and accessibility will come to everyone.

How can a person decide which is the best institute or programme for them?

It really depends on what a person is looking for. For instance, if your aim is to meet 20 other potential people who are digital marketers then you have to go to a class which has the right crowd. If you want to meet 20 different types of professors or industry experts, then you have to figure out which institute is offering 20 different professors, or which institute is teaching the entire course with only one person. And the last thing which you need to consider is do you want a specific job in an agency and can someone help you get that? Well, if that is your requirement, again, you have to find which institute is going to help you and which has the right connections with the right owners of the right agency. These parameters will help you decide if you want to learn digital marketing online, offline, at any other local institute or IIDE.

What are the three things that can enable a person to make the right choice when choosing a course?

There are actually four aspects I feel that you can think of while choosing a course in IIDE. The basic requirement I would say is you need to be sure about how much you want to spend on a course. Budgeting is very important. The next is the location, where do you want it? Do you want it online or offline? The choice is yours. The third factor is the output; what do you want at the end of the day. Do you want a job placement or networking community? One's goal should be clear. And the final is time. So, we call it BLOT (budget, location, output and time). Time means do you have one week to invest or four months to invest or 11 months to invest. So, based on these four parameters, one can decide on the course most suitable for them.

What was the main reason behind you entering the Nepali market?

During the Covid pandemic

we had many students joining our online classes and surprisingly we had students from Nepal too. In the last 2.5 years, we taught 100 students from Nepal online and since that number was increasing rapidly, we thought it was possible to open our institute in Nepal. Luckily when those thoughts were going through my mind, a student who had a business of a premium jewellery brand in Nepal wanted to learn digital marketing and joined our class. He often visits India on business trips and during one of his visits, we met up. During our conversation we realised there was a need for digital marketing in Nepal.

There were other Nepali students too like for example there was a marketing manager from a reputed bank who wanted to start digital marketing. There was another man who took up the classes as he wanted to be a digital marketing professor and yet another involved in the souvenir business who wanted more sales in his ecommerce business. Many people were taking up our classes and I realised Nepal is in a stage where India was nearly six years ago; an era where digital platforms will be the base of the market. Hence, we decided to provide our services here.

How are the skill sets and curriculum you offer different from those being provided by other institutes?

We have a simple three-step method of learning. Step one is all the content is in videos. Small, short, bite size videos similar to Instagram reels and in these videos, we have a person who previously worked at Google for seven years teaching Google ads to our students. Similarly, another person who worked for Facebook for five years teaches about Facebook ads and we also have a teacher who opened one of India's first digital marketing agencies teaching all the other relevant tricks. What we have managed to do is get hold of all these industry

experts and convert their ideas into high quality video content.

So, on Monday you watch a video which is like a small, easy to consume kind of content and the next day you come to a live class. When you come to a live class, you'll meet IIDE professors who have been teachers for the last 5-7 years and understand digital marketing end to end. Apart from these, two to three hours a day, if you want any more information, you can come down to the Kathmandu Centre and get mentored by professors here. Our USP is we provide real-world content which is helpful to tackle real life problems. In addition, job placements are a guarantee.

People are sceptical about the digital space due to various security and privacy reasons. What is your take on this?

To be honest, digital is here to stay. Digital is dynamic, so the threat is in the dynamism which means there will be something which is going to change every day. For example, in India, we had TikTok for two years. Now there's TikTok here in Nepal, right? If you look at the trend now you will notice fewer people are using Facebook and more people are using Instagram. Things are changing. So, I think dynamism is the main issue and I would not actually call it a threat. It is just that continuous change is sometimes difficult for a lot of people, and I think in digital that's what you need to know.

There aren't many competitors here in Nepal. There are many institutes teaching digital skills but most specialise in giving web development training, digital marketing training, IT training, excel training, computer training, software training, tally training. So, these are like your coaching classes which are providing 1,000 different types of training. The thing about us is that we are purely only doing digital marketing training the way it should be. We are specialists in one field and that field is digital marketing training. **B**

Beed's take on the market

During the review period of January 1 to 30, the Nepal Stock Exchange (NEPSE) index rose by 98.34 points (+4.85%) to close at 2,029.03 points. After 11 months, the NEPSE index went above 2,000 points during the review period, marking a new threshold. The secondary market, which remained volatile due to lack of market liquidity, introduction of regressive policies, and high interest rates, began the current review period on a positive note and gradually gained momentum peaking at 2,211.76 points on January 9.

Numerous factors have contributed for this bullish trend, including the positive sentiment brought by the reappointment of Bishnu Prasad Paudel as Finance Minister, the improvement of liquidity as a result of the central bank's modification of the working capital loan terms and conditions, the introduction of policies regarding the addition of brokers to the market, and the reservation of a 10% quota for migrant workers willing to invest in the primary market. The total market volume during the review period soared by 161.99% with total transactions of Rs 74.13 billion.

During the review period, eight of the sub-indices landed in the green zone, indicating slight recovery across the sub-sectors,

while two fell in the red zone.

In the green zone, Hydropower sub-index (+17.05%) was the biggest gainer as the share value of Himalayan Power (+Rs 68.6), Ngadi Group Power (+Rs 61.8), and Chilime Hydropower (+Rs 58.2) increased substantially. Hotels and Tourism sub-index (+13.54%) was second in line with rise in the share prices of Taragaon Regency (+Rs 89), Oriental Hotels (+Rs 32), and Soaltee Hotel (+Rs 9.5).

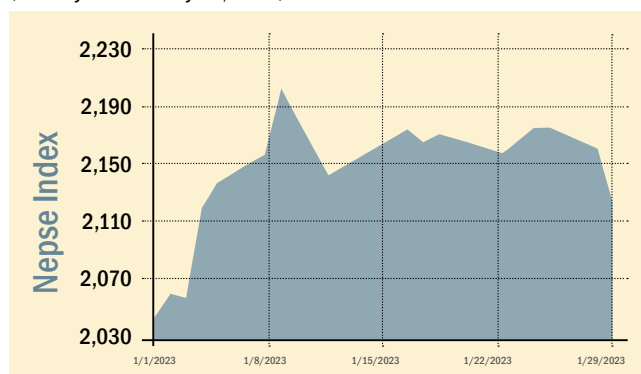
Non-life insurance sub-index (+11.03%) followed suit with increase in the share prices of Rastriya Beema (+Rs 656), NLG Insurance (+Rs 145) and Prabhu Insurance (+Rs 111.1). Likewise, Life Insurance sub-index (+8.52%) also rose as share value of Asian Life Insurance (+Rs 103), National Life Insurance (+Rs 48.1) and Nepal Life Insurance (+Rs 41) went up.

The Microfinance sub-index (+4.66%) went up as share prices of Swarojgar Microfinance (+Rs 112), Nirdhan Utthan Microfinance (+Rs 80) and RMDC Microfinance (+Rs 77) increased. Development Bank sub-index (+2.60%) also surged with rise in the share value of Green Development (+Rs 27.9), Karnali Development (+Rs 25.6) and Shine Resunga Development (+Rs 24.4).

The Finance sub-index

Figure 1 NEPSE Index during the review period

(January 1 to January 30, 2023)



Source: Nepal Stock Exchange

(+2.21%) witnessed a rise in the share prices of Manjushree Finance (+Rs 38), Goodwill Finance (+Rs 18) and Pokhara Finance (+Rs 17). Likewise, Commercial Bank sub-index (+0.90%) faced an upswing with rise in share value of NIC Asia Bank (+Rs 89.7), Standard Chartered Nepal (+Rs 67) and Nepal SBI (+Rs 34).

The Others sub-index (-3.24%) was the biggest loser with decrease in share prices of Nepal Telecom (-Rs 69). Manufacturing and Processing sub-index (-1%) also followed suit with decline in the share value of Bottlers Nepal (-Rs 1,695), Himalayan Distillery (-Rs 1,396) and Unilever Nepal (-Rs 175).

News and Highlights

On the public issues front, the Securities Exchange Board of Nepal (SEBON) has approved the initial public offering (IPO) of two microfinance companies and one hydropower company. The IPO of BPW Microfinance worth Rs 9.7 million and Aatmanirbhar Microfinance worth Rs 20.338 million were issued. Mega Capital and Sunrise Capital were appointed as issue managers respectively. Likewise, the IPO of Sagarmatha Jalbidhyut Company worth Rs 548.8 million was also issued with Prabhu Capital as its issue

manager.

SEBON has also kept the IPO of Mandu Hydropower worth Rs 405.81 million, Nepal Warehousing worth Rs 137.5 million and Mid-Solu Hydropower worth Rs 149.68 million in the pipeline under preliminary review. Prabhu Capital, Himalayan Capital and NIC Asia Capital are the issue managers, respectively.

Outline

Investor confidence has been restored as a result of the formation of a new government followed by improvement in liquidity in the market and introduction of new policies. For the current positive market trend to continue, investor confidence must be bolstered by constant and efficient implementation of regulatory policies. Authorities responsible for the secondary market should now also place priority on enhancing people's skills and supporting them in comprehending the secondary market so that their financial knowledge is improved and the market attracts more long-term and stable investments. **B**

This is an analysis from beed Management Pvt Ltd. No expressed or implied warrant is made for usefulness or completeness of this information and no liability will be accepted for consequences of actions taken on the basis of this analysis.

Table 1 Sub-indices during the review period

(January 1 to January 30, 2023)

	January 1, 2023	January 30, 2023	% Change
NEPSE Index	2,029.03	2,127.37	4.85%
Sub-Indices			
Commercial Bank	1,365.78	1,378.07	0.90%
Development Bank	3,599.58	3,693.12	2.60%
Hydropower	2,254.66	2,639.01	17.05%
Finance	1,714.94	1,752.85	2.21%
Non-Life Insurance	8,294.75	9,209.56	11.03%
Others	1,553.46	1,503.13	-3.24%
Hotels and Tourism	2,871.47	3,260.26	13.54%
Microfinance	4,486.34	4,695.43	4.66%
Life Insurance	10,081.74	10,941.44	8.52%
Manufacturing & Processing	5,206.19	5,154.31	-1.00%

Source: Nepal Stock Exchange

ime
गरी

विदेशबाट पठाएको रकम सिधै **IME Pay** मा प्राप्त गर्नुहोस्



IME Pay मा बिदेशबाट पठाएको
पैसा प्राप्त गर्दा पाउनुहोस् **रु. ५०१-** बोनस ।





Gold & Inflation The Link



Vivek Risal is a financial market expert and can be reached at vivekrisal@gmail.com.

Gold treaded an interesting journey in 2022. On the back of the Russia-Ukraine conflict, the bullion rose to \$2,070.16 per ounce in March before observing seven consecutive months in bearish territory reaching \$1,614.61 per ounce in September. However, prices reversed and closed the year on bullish grounds at \$1,823.26 per ounce. In hindsight, the value of gold has increased by over \$300 per ounce since hitting the lows of 2022. Analysts opine that the values have been range-bound since the summer of 2020. For the past few years, gold has been unable to break past the resistance level of \$2,075 per ounce. Hence the question arises: Will the rally of gold continue in 2023 and thereby have a significant breakout that all traders are looking for or will the bullion remain range-bound?

The range-bound performance of gold has been staggering in the recent few years. Being coined as a perfect hedge against inflation, traders believed that the yellow metal could have rallied strongly as inflation surged. However, as inflation climbed from 1.3% in 2020 to above 9% by mid-2022, the value of gold traded sideways. But assuming that gold no longer serves as an inflation hedge might be pushing the envelope too far. From the spring of 2019 to the summer of 2020, the price of

gold rallied by nearly 60% as the US Federal Reserve began easing its monetary policy stance, deliberately slow at first and then in grand fashion in March 2020 by cutting the rates to zero and embarking on what would be known as the \$4.9 trillion quantitative easing programme. It would be appropriate to say that gold traders anticipated the high rates of inflation that came about in the two years after its rally ended.

The rise in inflation in 2021 and 2022 created a problem for traders in gold. On the one hand, higher inflation meant that the dollar and other currencies will be able to buy less of real assets such as precious metals. On the contrary, once central banks came around to the idea that the surge in inflation was not transitory, they began tightening monetary policy at the most rapid stride since 1981.



The higher the interest rates, the lower the appeal of gold. As a central bank reserve asset, the bullion is still a de-facto global currency with no interest bearing. As central banks around the world raise interest rates and reduce the size of their balance sheets, most global currencies including the US dollar will appear more attractive

compared to gold despite the higher rates of inflation.

Gold has observed a consistent negative correlation with the daily changes in the expectations for where the Fed's policy rate might have been in two years as priced by the Fed's funds rate. With the market expected to lower the Fed funds rates in 2019 and early 2020, the prices of gold skyrocketed. In late 2020 and 2021, the markets inferred that the Fed could not follow Europe and Japan with negative rates and gold prices stopped climbing. During 2022, as expectations shifted towards the fastest pace of Fed rate hikes in more than four decades, gold prices fell for the majority of the year.

The million-dollar question is then so what changed in the last three months of 2022? Market pundits opined that two factors contributed to the rally of gold. The markets first concluded that the Fed might

The second factor that contributed to the rally of gold was the US dollar. The Federal Reserve went ahead of the other major central banks in its policy tightening in mid-2022. This influenced the US dollar and sent it soaring against the euro, yen, pound and bullion. However, as the Fed signalled a slower pace of rate hikes in the last quarter and as other central banks picked up the pace of their tightening, USD began to sell off versus other currencies. A weaker greenback tends to enhance the prices of gold which have displayed a consistent and negative correlation over the past decade.

Gold's ability to rally to its high of \$2,080 per ounce or beyond depends on the following factors. Will the central bank of the USA cut the rates by 200 basis points or more starting later this year or will higher-than-expected inflation prevent policy easing?

Also, will the US dollar continue to sell off versus the foreign currencies or will the greenback come back stronger and rebound?

If the current levels of inflation persist, it would be a double-edged sword for gold. On one hand, gold will benefit from the USD which is depreciating against other fixed assets. On the other

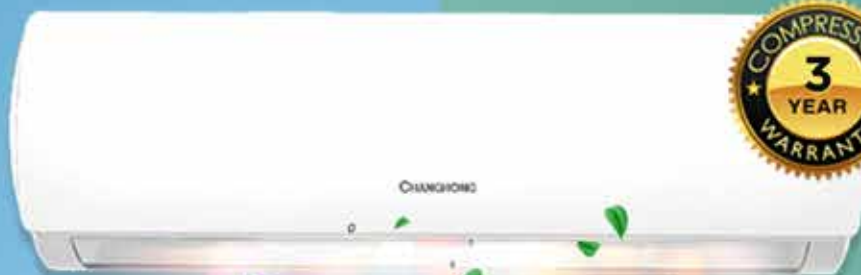
hand, the higher-than-expected inflation could prevent the Fed from cutting the rates in the manner that the interest rates markets and the bullion have incorporated into their pricing. Whatever the outcome, it would be yet another interesting year in 2023 given the headwinds and tailwinds of factors emerging in the ensuing days. **B**

CHANGHONG
AIR CONDITIONER

TOLL FREE NO.:



16600112078
9802020801



Cool Your Summer Warm Your Winter



Floor Stand 2.0/4.0 Ton

Wall Mount 1.0/1.5/2.0 Ton

Ceiling Cassette 1.5/2.0/3.0 Ton

Dealer Query : 980-2323522 Retails Query : 9801111668 / 9801111669

/changhongnepal /changhongnepal/ /changhongac



IT Sector Growth: Enabling Policy A Must



Pratikshya Dahal is a Senior Associate at Pioneer Law Associates and holds an LLM in International Commercial Law from the University of Reading, UK.

Twenty-three years ago, the Government of Nepal recognised Information Technology (IT) as a priority sector with a vision to put Nepal on the world IT map by 2005. Soon after, the country underwent an energy crisis which made the ambitious vision seem like a flight of fancy. The end of the crisis in 2017 which concurred with the increase in access to internet has served as a backbone for the growth of the IT sector in recent years. The Covid 19 pandemic further accelerated the much-needed adoption of technology by people, businesses and government agencies painting an optimistic future for the IT industry in Nepal.

The IT industry of Nepal which largely comprises of IT enabled services, consulting and business processing outsourcing has the potential of enabling a structural transformation.

Structural transformation is the process of moving resources from low productivity to higher productivity and skill-intensive sectors to set economic development into motion. Until now, the largest export of Nepal has been commodities like oil and carpets. Addition of IT services

will diversify the export basket and also reduce dependency on commodities for production and exports.

A special provision was introduced in the Finance Act to encourage export of IT services. Individuals and entities that have earned foreign currency during the financial year 2079/80 via an IT service business like business process outsourcing, software programming, cloud computing, etc will be taxed at the rate 1% down from 20% which used to be the applicable rate. Such tax concession can also be an effective tool in attracting inward foreign investment into the IT sector. However, this incentive has been introduced only for a specific year which is not very encouraging for

accessing funds. Jurisdictions which have a thriving private equity market will offer a much wider pool of investors. Reasons like familiarity of corporate and business structures, corporate culture and time zones play a key role in investment decisions. Investors, for example in the United States, are more likely to invest in an entity located in the US market. International operations also provide an opportunity for the local IT businesses to participate in a more competitive market which will encourage innovation and better quality of services.

Removing barriers to invest should remain a focus of the government. A good place to start, with immediate effect, is to fast track investment

authorities thereby shortening the gestation lags.

Making it easier for Nepali diaspora to invest in the tech sector in Nepal can be another area that needs reforms. The current legal regime does not support Nepali diaspora (those who hold Nepali passports) to invest money from outside Nepal and repatriate the returns without having to go through the same approval route as a foreign investor. A policy to encourage Nepal working and residing abroad to invest in Nepal should be introduced.

The generation, adoption and scaling up of technology requires technical skills. Growth in the Nepali IT sector will not come into fruition unless it is supported by skilled human resources. Nepal has the benefit of having a large youth population who are willing and enthusiastic about adopting technology unlike the generations before. It is imperative for the country to convert this enthusiastic young population into a talent pool.

Know-how is a big asset for the economy. Policies should focus on increasing investment in IT education as well as improving the quality of IT education in Nepal rather than caps on student seats. Investment in human capital especially of those transitioning into the most economically productive years will provide a strong foundation for the development of the IT industry. Likewise, institutional arrangements that facilitate dialogues between education institutes and private sector can help resolve problems of skills mismatches and create more employment in the sector.

While the IT industry is picking up some pace, there are areas that policy makers can work on to enable a thriving IT sector. **B**



long-term investment plan and technological development.

Another area that policy makers need to focus on to encourage the export of IT services is the opening up of outward foreign investment by IT companies. This policy change will bring numerous benefits to the Nepali IT sector. A closer geographical proximity to customers will generate a higher trust as well as widen the reach of the Nepali IT industry. This will also position companies at an advantage in

clearance. I am compelled to recount a recent experience where it took over eight months for an existing foreign investor in an operating IT company to get regulatory clearance to inject further capital. Delays affect growth. This problem can also be solved by bringing foreign investment under the automatic route which the government is planning to introduce in the near future. Automatic route eliminates the requirement to obtain prior approval from government

Earn up to

11%
p.a.
interest*

on fixed deposit &

7.15%
p.a.
interest*

on savings account

- An ideal investment that gives you high returns and peace of mind ◀

Our fixed deposits and saving accounts are specifically designed to suit your requirement of growing your hard earned money with interest rates up to 11% p.a. on fixed deposits and 7.15% p.a. on savings accounts.

As the only AAA* rated bank with the highest rated degree of financial safety in Nepal, you can count on us for the safety of your funds with great returns.

Open an account with us today and experience a truly world class service.



Scan to open
fixed deposit



Scan to open
savings account



standard
chartered

*Terms and conditions apply.

**AAA [Issuer Rating by ICRA (Nepal)]

ChatGPT: Capabilities, Limitations & The Future



ChatGPT is an AI-powered natural language processing tool and a chatbot that helps you in a way that is similar to that of a human being while also doing a lot more. The language model may help you with things like writing emails, articles and code as well as provide answers to your inquiries.

ChatGPT is now available to the public without charge because it is still in research and feedback-collection phase. OpenAI, an artificial intelligence (AI) and research startup, developed ChatGPT and introduced it to the world on November 30, 2022. In addition, DALL·E 2, a well-known AI art generator, and Whisper, an autonomous speech recognition system,

were developed by OpenAI.

ChatGPT has reached another significant milestone in the Google search trend score with Nepal attaining second place and furthering its notoriety. The online programme has already caused market disruption with its human-like reactions, even endangering Google, and the most recent data indicate that it will take some time to stop its upward growth and popularity scoring. According to Finbold's research, a Google search for the term ChatGPT resulted in a popularity score of 92. The algorithm developed by OpenAI reached its highest point of 100 for the week.

ChatGPT has already been prohibited in certain US institutions perhaps due

to rising controversy over its possible adverse effects on originality and creativity.

The enormous volumes of unlabelled data that were collected from the internet were used to train ChatGPT prior to 2022. Additional datasets with human-labelled labels are added to the model's training set and used to continuously monitor and improve it for various language-oriented tasks. ChatGPT excels at a variety of tasks such as answering questions, finishing a given text or phrase, writing fiction and non-fiction from prompts, creating responses that seem human-like in chatbots, creating computer code, translating text from one language to another, performing calculations, and summarising a given text,

text classification into several categories, sentiment analysis of the text, text generation for data summaries in spreadsheets and tables, and conversational user input response are all examples of text processing.

A large language model (LLM) named Generative Pre-trained Transformer 3 (GPT-3) is the foundation of ChatGPT. A deep neural network with billions of parameters that requires petabytes of training data is known as a huge language model. Elon Musk-founded research company OpenAI, which produced the model has created it. Semi-supervised learning was employed by data scientists and machine learning specialists to train ChatGPT. Algorithms for semi-supervised learning



are trained on partially labelled datasets where some data points have labels and some do not. The model makes predictions about the results of the unlabelled data using the labelled data.

According to OpenAI, data scientists used web scraping to compile the enormous quantity of unlabelled data needed to train the LLM. Text sources that were either in the public domain or made available for use by scholars and perhaps governments were added to this. It is unknown how exactly OpenAI labelled the very vast data sets needed to fine-tune the model, although it is known that part of the labelling was outsourced, and it is possible that they also made use of crowdsourcing tools like Amazon's Mechanical Turk.

ChatGPT and Responsible Artificial Intelligence

A governance system called 'Responsible AI' aims to make complicated black box AI models like ChatGPT more transparent and reliable. OpenAI is taking a number of measures to ensure that ChatGPT promotes the idea of responsible AI. Researchers and engineers at OpenAI are exploring methods to increase the transparency of this deep learning model and are attempting to be as open and honest as they can about the model's capabilities, limits and potential for abuse. In order to remove bias in their training data, OpenAI data scientists are constantly examining user comments and have used the 'humans in the loop' (HITL) method. Similarly, OpenAI experts are always keeping an eye on the model's outputs and user prompts in ChatGPT to ensure it is being applied responsibly.

ChatGPT and Education

The most recent iteration of ChatGPT generates text that is so convincingly human-like that educators have raised concerns about how students are

abusing the technology. Some schools have openly forbidden ChatGPT in response. Others are evaluating plagiarism detection software that uses statistics to locate the language watermarks in the models. Advocates of ChatGPT contend that this sort of artificial intelligence is only a more sophisticated search engine (searchbot), and rather than outlawing its usage, educators should utilise ChatGPT to teach critical thinking and guide students in using the technology appropriately.

ChatGPT in Business

ChatGPT is being used as an augmented intelligence tool for a wide variety of business tasks. It is currently being used to automate the process of creating content for social media posts, website articles and product descriptions; to build conversational chatbots that can converse with customers off script; to compile and organise customer feedback from various channels; to translate business reports and marketing deliverables from one language to another; to create chatbots that support just-in-time learning for internal training programmes, to write boilerplate computer code and generic scripts, to translate the data from a table or spreadsheet into text, to create boilerplate computer code and generic scripts, to write meta descriptions and suggest synonyms for SEO keywords.

Microsoft for ChatGPT

Microsoft announced that it has committed a fresh, multi-year investment in OpenAI, the business underlying ChatGPT. Microsoft was reportedly aiming to spend an extra \$10 billion in the firm according to Semafor. The official statement merely made comments on the continuation of the partnership; it made no mention of the speculated financial amount. Microsoft stated their

dedication to transforming Azure into a global AI powerhouse. Every product under the OpenAI brand uses Microsoft Azure as its exclusive cloud provider.

OpenAI will continue to use Microsoft Azure as its exclusive cloud provider, which will run the workloads for research, products, and API services. The early speculation around this new round of investment said that Microsoft and other investors will participate, valuing the AI business at a whopping \$29 billion. It's important to note that Microsoft has previously made earlier investments in OpenAI. The San Francisco-based business received a \$1 billion first investment back in 2019. Industry insiders claim that since then, Microsoft has quietly put an additional \$2 billion into the business.

Microsoft unveiled Microsoft Designer, a visual design tool that leverages artificial intelligence to build original works of art and social media graphics. They also disclosed a collaboration with Meta to deliver the office of the future. It's important to note that this special collaboration with ChatGPT occurs barely one week after Microsoft declared that 10,000 jobs will be cut worldwide. Despite Microsoft's claims that the layoffs would enable them to better concentrate on the subject of artificial intelligence, it is obvious that the business is taking a significant risk in this area.

In addition, ChatGPT may be used for a variety of purposes, including basic question and answer exchanges, philosophical discussions, or more private tasks like coming up with wedding present suggestions for you. You may also be quite particular; for instance, you might ask it to compose a birthday message for your sister using a Lady

Gaga phrase. It has also been proposed that you might use it to compose lengthy essays or articles if you provided enough information or a word count. It's reasonable to say that ChatGPT has attracted a lot of interest on social media, in part because people have been playing with the conversation-based bot to see what kinds of replies it might generate. While some individuals are major admirers of the gadget and praise its capacity for using reason to provide educated answers, others have cast doubt on both its fact-checking and math skills because some of the answers haven't been particularly dependable.

Conclusion

There is considerable concern that an improved ChatGPT may drive academics out of business. The concern is whether this instrument will ever be able to produce academic research that is more varied or of higher quality than what is now available. GPT-based systems have a limited range of application and a single output, but they attract attention and generate headlines like IBM Watson, which is only positive. There may be algorithmic journals in the future, where people will evaluate an algorithm and decide whether to accept the results it generates or not. Like ChatGPT, these algorithms will serve as the brand, and the individual who coded them will be the 'creator'. As new information is received, articles will be produced and amended automatically. We may even go a step farther and say that engineers are no longer necessary since code now writes code. Either we'll be playing the game of creating these algorithms from scratch or we'll be employing them. **B**

Sharp, long-lasting slowdown to hit developing countries hard

Global growth is slowing sharply in the face of elevated inflation, higher interest rates, reduced investment, and disruptions caused by Russia's invasion of Ukraine, according to the World Bank's latest Global Economic Prospects report.

Given fragile economic conditions, any new adverse development - such as higher-than-expected inflation, abrupt rises in interest rates to contain it, a resurgence of the Covid 19 pandemic, or escalating geopolitical tensions - could push the global economy into recession. This would mark the first time in more than 80 years that two global recessions have occurred within the same decade.

The global economy is projected to grow by 1.7% in 2023 and 2.7% in 2024. The sharp downturn in growth is expected to be widespread, with forecasts in 2023 revised down for 95% of advanced economies and nearly 70% of emerging market and developing economies.

Over the next two years, per-capita income growth in emerging market and developing economies is projected to average 2.8% — a full percentage point lower than the 2010-2019 average. In Sub-Saharan Africa — which accounts for about 60% of the world's extreme poor — growth in per capita income over 2023-24 is expected to average just 1.2%, a rate that could cause poverty rates to rise, not fall.

"The crisis facing development is intensifying as the global growth outlook deteriorates," said World Bank Group President David Malpass. "Emerging and developing countries are facing a multi-year period of slow growth driven by heavy debt burdens and weak investment as global capital is absorbed by advanced economies faced with extremely high government debt levels and

rising interest rates. Weakness in growth and business investment will compound the already-devastating reversals in education, health, poverty, and infrastructure and the increasing demands from climate change."

Growth in advanced economies is projected to slow from 2.5% in 2022 to 0.5% in 2023. Over the past two decades, slowdowns of this scale have foreshadowed a global recession. In the United States, growth is forecast to fall to 0.5% in 2023 — 1.9 percentage points below previous forecasts and the weakest performance outside of official recessions since 1970. In 2023, euro-area growth is expected at zero percent — a downward revision of 1.9 percentage points. In China, growth is projected at 4.3% in 2023 — 0.9 percentage point below previous forecasts.

Excluding China, growth in emerging market and developing economies is expected to decelerate from 3.8% in 2022 to 2.7% in 2023, reflecting significantly weaker external demand compounded by high inflation, currency depreciation, tighter financing conditions, and other domestic headwinds.

By the end of 2024, GDP levels in emerging and developing economies will be roughly 6% below levels expected before the pandemic. Although global inflation is expected to moderate, it will remain above pre-pandemic levels.

The report offers the first comprehensive assessment of the medium-term outlook for investment growth in emerging market and developing economies. Over the 2022-2024 period, gross investment in these economies is likely to grow by about 3.5% on average — less than half the rate that prevailed in the previous two decades. The report lays out a menu of options for policy makers to accelerate investment growth.

"Subdued investment is a serious concern because it is associated with weak

productivity and trade and dampens overall economic prospects. Without strong and sustained investment growth, it is simply impossible to make meaningful progress in achieving broader development and climate-related goals," said Ayhan Kose, Director of the World Bank's Prospects Group. "National policies to boost investment growth need to be tailored to country circumstances but they always start with establishing sound fiscal and monetary policy frameworks and undertaking comprehensive reforms in the investment climate."

The report also sheds light on the dilemma of 37 small states — countries with a population of 1.5 million or less. These states suffered a sharper Covid 19 recession and a much weaker rebound than other economies, partly because of prolonged disruptions to tourism. In 2020, economic output in small states fell by more than 11% — seven times the decline in other emerging and developing economies. The report finds that small states often experience disaster-related losses that average roughly 5% of GDP per year. This creates severe obstacles to economic development.

Policymakers in small states can improve long-term growth prospects by bolstering resilience to climate change, fostering effective economic diversification, and improving government efficiency. The report calls upon the global community to assist small states by maintaining the flow of official assistance to support climate-change adaptation and help restore debt sustainability.

Consumer price inflation at 7.38%, remittance inflows up 23%

As per the Current Macroeconomic and Financial Situation of Nepal based on five months data ending mid-December, published by Nepal Rastra Bank the year-on-year (y-o-y) consumer price inflation

remained at 7.38% in mid-December 2022 compared to 7.11% a year ago.

Food and beverage inflation stood at 5.85% whereas non-food and service inflation rose to 8.59% in the review month. Under the food and beverage category, y-o-y consumer price index of restaurant and hotel sub-category increased 15.56%, tobacco products 11.81%, cereal grains and their products 9.39%, milk products and eggs 9.07%, and alcoholic drinks 8.84%.

Under the non-food and services category, y-o-y consumer price index of transportation sub-category increased 17.33%, health 11.22%, recreation and culture 8.76%, housing and utilities 8.29% and furnishing and household equipment 8.29%.

In the review month, consumer price inflation in Kathmandu Valley, Terai, Hills and Mountains remained at 6.56%, 8%, 7.32% and 6.48%, respectively. Inflation in these regions was 5.91%, 7.52%, 6.95% and 4.91%, respectively a year ago.

Meanwhile, the y-o-y wholesale price index increased 9.15% in the review month compared to 7.22% a year ago. The y-o-y wholesale price of consumption goods, intermediate goods and capital goods increased by 3.49%, 13.14% and 4.69%, respectively. The wholesale price of construction materials increased by 10.51% in the review month.

According to the report, during the five months of 2022/23, merchandise exports decreased 34.6% to Rs 67.30 billion against an increase of 105.6% in the same period of the previous year. Destination wise, exports to India and China decreased 43.7% and 35.9% while exports to other countries increased 7.1%. Export of zinc sheet, particle board, woollen carpets, cardamom, tea among others increased while export of soyabean oil, palm oil, oil cakes, textiles, silverware and jewellery, among others, decreased in the review period.

During the review period, merchandise imports decreased 20.7% to Rs 664.75 billion against an increase of 59.5% a year ago. Destination-wise, imports from India, China and other countries decreased 20%, 22.6%, and 21.4%, respectively.

Imports of petroleum products, sponge iron, gold, chemical fertiliser, aircraft spare parts, among others, increased whereas imports of transport equipment and parts, MS billet, silver, medicine, crude soyabean oil, among others, decreased in the review period.

Total trade deficit decreased 18.8% to Rs 597.44 billion during the five months of 2022/23. Such deficit had increased 54.7% in the corresponding period of the previous year. The export-import ratio decreased to 10.1% in the review period from 12.3% in the corresponding period of the previous year.

NRB has stated that remittance inflows increased 23% to Rs 480.50 billion in the review period against a decrease of 6.3% in the same period of the previous year. In US dollar terms, remittance inflows increased 13.1% to \$3.71 billion in the review period against a decrease of 6.8% in the same period of the previous year.

Net transfer increased 21.6% to Rs 530.06 billion in the review period. Such transfer had decreased 5.3% in the same period of the previous year.

In the meantime, current account remained at a deficit of Rs 37.91 billion in the review period compared to a deficit of Rs 298.51 billion in the same period of the previous year. In US dollar terms, the current account registered a deficit of \$297.2 million in the review period compared to deficit of \$2.51 billion in the same period last year.

In the review period, capital transfer decreased 25.3% to Rs 3.47 billion and net foreign direct investment (FDI) remained at Rs 604.9 million. In the same period of the previous year, capital transfer and net FDI amounted to Rs 4.64 billion and Rs 7.07 billion, respectively.

Balance of Payments (BOP), meanwhile, remained at a surplus of Rs 45.87 billion in the review period compared to a deficit of Rs 195.01 billion in the same period of the previous year. In US dollar terms, the BOP remained at a surplus of \$346.8 million in the review period against a deficit of 1.64 billion in the same period of the previous year.

Remittance inflow increased 23% to Rs 480.50 billion in the review period against a decrease of 6.3% in the same period of the previous year. In US dollar terms, remittance inflows increased 13.1% to \$3.71 billion in the review period against a decrease of 6.8% in the same period of the previous year.

Net transfer increased 21.6% to Rs 530.06 billion in the review period. Such transfer had decreased 5.3% in the same period of the previous year.

Meanwhile, the current account remained at a deficit of Rs 37.91 billion in the review period compared to a deficit of Rs 298.51 billion in the same period of the previous year. In US dollar terms, the current account registered a deficit of \$297.2 million in the review period compared to deficit of \$2.51 billion in the same period last year.

In the review period, capital transfer decreased 25.3% to Rs 3.47 billion and net foreign direct investment (FDI) remained Rs 604.9 million. In the same period of the previous year, capital transfer and net FDI amounted to Rs 4.64 billion and Rs 7.07 billion, respectively.

Balance of Payments (BOP) remained at a surplus of Rs 45.87 billion in the review period compared to a deficit of Rs 195.01 billion in the same period of the previous year. In US dollar terms, the BOP remained at a surplus of \$346.8 million in the review period against a deficit of \$1.64 billion in the same period of the previous year.

Gross foreign exchange reserves increased 6.3% to Rs 1,292.56 billion in mid-December 2022 from Rs 1,215.80 billion in mid-July

2022. In US dollar terms, gross foreign exchange reserves increased 3% to \$9.82 billion in mid-December 2022 from \$9.54 billion in mid-July 2022.

Of the total foreign exchange reserves, reserves held by NRB increased 7.8% to Rs 1,139.22 billion in mid-December 2022 from Rs 1,056.39 billion in mid-July 2022. Reserves held by banks and financial institutions, except NRB, decreased 3.8% to Rs 153.34 billion in mid-December 2022 from Rs 159.41 billion in mid-July 2022.

Accelerator programme for high-growth potential agriculture companies in Province 1 kicks off



Aadhyanta Accelerator, a five-month business acceleration programme for high-growth agriculture companies in Province 1, officially started on January 18. The programme was announced among local stakeholders, authorities, programme partners, and the press in Biratnagar. It is being run on partnership between Aadhyanta Fund Management, a Nepali-owned fund mobilisation platform, and Sahaj-NAMDP (Nepal Agricultural Market Development Programme) alongside FNCCI (Federation of Nepalese Chambers of Commerce and Industry) Province 1, and the Investment Authority of Province 1.

The primary goal of Aadhyanta Accelerator is to improve the competence of agricultural enterprises to scale up and become investment ready. The programme is designed for high-growth-

potential Agri SMEs from Province 1. The interventions seek to boost the province's startup and entrepreneurial dynamics while promoting increased economic activity and innovation. At the end of the programme, 10 enterprises will be investment-ready.

The accelerator programme will offer tailored workshops for selected entrepreneurs alongside access to mentorship, networking opportunities, funding opportunities, branding and visibility, and support for innovation. The unique and tailored business acceleration programme will assist agri-entrepreneurs in expanding and scaling their enterprises through product development, financial and business

structuring, networking, and access to private capital, among others.

Province 1 has a strong foundation and is the richest in terms of tourism, agriculture, trade and industry. The province has enormous potential for the development of agriculture. With the right interventions, the province stands a great chance of becoming a successful and self-dependent region of the nation.

At least 10 agribusiness owners from Province 1 will be made investment-ready during the programme's five-month duration which also intends to assist agri-entrepreneurs in engaging with the community surrounding them to generate a significant number of employment possibilities.

This is the first accelerator programme in Nepal being run outside the capital. Additionally, it is also the first of its kind to be run using the public-private partnership approach.



Finance Secretary Raya sworn in as NRB Board member



Finance Secretary Toyam Raya took the oath of office and secrecy as a member of the Board of Directors of Nepal Rastra Bank (NRB) on January 12. Acting Chief Justice of the Supreme Court of Nepal, Hari Krishna Karki, administered the oath of office and secrecy to Raya. The Finance Secretary was sworn in as a member of the Board of Directors of the central bank as per Section 14 of Nepal Rastra Bank Act, 2058. Section 108 (1) of Nepal Rastra Bank Act, 2058, has a provision that the members of the Board of Directors have to be sworn in by the SC Chief Justice or other justices.

Others present on the occasion were SC's Chief Registrar Lal Bahadur Kunwar, Registrar duo Narayan Prasad Panthi and Nirmala Paudel, Deputy Registrar Naryan Prasad Regmi, NRB Director and Secretary of the Board of Directors Mukti Nath Sapkota.

Newly appointed NPC Vice-Chairman Shrestha sworn in



Min Bahadur Shrestha has been appointed the Vice-Chairman of the National

Planning Commission (NPC). A meeting of the Council of Ministers today appointed Dr Shrestha to the post. Prime Minister, Pushpa Kamal Dahal who is also Chairman of NPC, administered the oath of office and secrecy to newly appointed Vice-Chairman Shrestha on January 23 at the Office of the Prime Minister and Council of Ministers, Singha Durbar, according to Prime Minister's press expert, Manohari Timilsina. This is the second term of Shrestha as the Vice-Chairman of NPC.

FNCCI organises SMEs Summit in Lalitpur



The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) organised Small and Medium Enterprises Summit in Lalitpur on January 23. Addressing the summit, Deputy Prime Minister and Finance Minister Bishnu Prasad Paudel said the startup work procedures and provisions on project loans will be implemented soon. He said he will take the initiative to prepare the Startup Work Procedures which has been pending for a long time. "It is the government's weakness that the startup work procedures could not be drafted until now. The work procedures will be passed immediately. The project loans which the private sector has been demanding will also be implemented soon," he said.

Minister Paudel urged the private sector to give clear suggestions to the government regarding the problems of small and medium enterprises. Stating that the government will take the initiative to identify the problems of small, cottage, micro and medium-scale

enterprises to resolve them, he said a right conclusion will be derived on the matter only after taking suggestions from the related sectors.

"The government moves ahead only after taking suggestions from related sectors while drafting the plans and policies of any sector. It is necessary that the private sector points out and clarifies the policy-level ambiguities in particular sectors," the Finance Minister said, adding the government expects concrete and clear suggestions on how the procedural hassles could be minimised and service delivery made prompt and convenient.

Minister Paudel expressed his commitment to working towards hearing the problems of the private sector and addressing the justified demands. He suggested that the private sector should also give suggestions as to how the access of SMEs could be increased in the financial sector.

In addition, he assured that the interest rates on loans will not be increased. "Interest rate is linked with inflation. Efforts are on to prevent the interest rate from going high." He made it clear that the government had no policy to intervene in Nepal Rastra Bank's affairs as it is an autonomous body, but the government will cooperate with it to address the existing issues. He said the private sector was expected to inform the government if it sensed problems in the government service delivery.

FNCCI President Shekhar Golchha described small and middle-scale enterprises as the basis for the national economy and pointed out that these sectors were marred by various

issues. "The prices of raw materials have skyrocketed. The bank interest rate is high. Small entrepreneurs face challenges to get loans," he said, adding these were causing problems for enterprises to sustain. He opined the state should play a role to establish a stable interest rate and a systematic tax system. Golchha mentioned that if the SMEs sector, which employs around 1.7 million people, can supply quality products according to the market demand using modern technology, there is a possibility of making great economic progress in the industry in Nepal.

Joni Simpson, Office-in-charge, ILO Country Office for Nepal; Elke Wisch, UNICEF Representative for Nepal; and Babacar Sedikh Faye, IFC Resident Representative for Nepal; emphasised the rapid development of SMEs, which play an important part in the Nepali economy. They said this will also help in the goal of economic upgradation of Nepal by 2026.

FNCCI Senior Vice-President Chandra Prasad Dhakal assured that the federation is preparing to launch SMEs Service Centre to help SMEs and later it will be expanded to the provincial chapters. In the closing session of the conference, Chairperson of Cottage and Small Industry Committee of FNCCI, DB Basnet, and Chairperson of Women Entrepreneurship Development Committee, Reeta Simha, committed to carrying on with initiatives and advocacy to connect the products of SMEs with large industries operating within the country.

CITROËN



CITROËN AIRCROSS SUV

WORLD CLASS COMFORT NOW IN NEPAL



Contemporary and welcoming, Citroën C5 Aircross SUV's interior has been designed to ensure serenity reigns supreme. The CITROËN ADVANCE COMFORT programme delivers innovative, technological and intelligent solutions to create wellbeing for drivers and passengers alike, and confirms Citroën driving-comfort credentials. Four main themes are at the heart of this comfort engineering: the cocoon effect, practicality, fluidity and peace of mind.

1.6 Liter 4 cylinder petrol turbo engine, maximum power 121 kW at 6000 rpm, maximum torque 240 Nm at 1400 rpm. 6-Speed Automatic Transmission.

Authorized Distributor : SHANGRILA MOTORS PVT. LTD. | Showroom : THAPATHALI, KATHMANDU | Service : SITAPAILA

For further details please contact : Rakesh (9801125884) Aasha (9801050500)



Antidote introduces new digital thrift store



Antidote announced the launch of its first digital thrift store packed with powerful tools and features for thrifters and sellers on January 10. The company has claimed that this launch will help buyers find great deals on used and like-new items while making it easier for anyone who wants to declutter their closet and start selling instantly.

"We have been extensively in touch with our buyer and seller community for the past 12 months. Every feature and every tool has been meticulously tailored keeping our buyer/seller community in mind," said its founder Manish Jung Thapa. Aatish Dube and Bikash Paneru, who are leading the technology team at Antidote, state that buyers and sellers are kept at top priority for this platform. Paneru, a former Fusemachine engineer shares the company's plan to roll out sellers features every month. Paneru continued, "There's so much work that needs to be done, we are consistently reaching out to our community and asking how we can help them sell more".

Anyone wishing to get started as a seller can begin instantly by creating an account on Antidote's Seller Portal. One can choose to either drop their items in one of the 13 self-drop points or can schedule a pickup at their convenience. Albeit limited to the valley for now, the company plans to expand the self-drop points to 50 locations across ten cities. They also intend to launch scheduled pickup points in two cities by the end of August this year.

For a nominal commission of 20% (charged only once the item is sold), Antidote provides end-to-end service to its sellers. On behalf of the sellers, the company takes care of pickup (upon buyer request),

storage, photography, delivery, return handling, and payment processing, making it easier for anyone and everyone to sell their items from the comfort of their homes.

Meanwhile, Antidote's new digital thrift store provides all the standard features any e-commerce shop would have — making it easier for buyers to find items, compare prices, sort products and make seamless orders.

Antidote claims all the purchases made through the platform come with a two-day easy return and exchange feature. Every buyer who buys through the platform is protected by Antidote's Buyer Protection Policy.

NICCI VP KC calls for investment in Nepal's hydel projects



Nepal-India Chamber of Commerce and Industry (NICCI) Vice President Sunil KC represented Nepal as speaker at the 14th South Asia Conference 2023 organised by Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA) in New Delhi, India, on January 17 and 18. The issues of regional relations are raised and promoted by the Government of India at this conference.

NICCI Vice President and Founder and CEO of the Asian Institute of Diplomacy and International Affairs (AIDIA), Sunil KC, who participated as a speaker at the conference, expressed his views on BBIN and Green Energy: Trading Opportunities and Challenges. Among the four countries included in the BBIN region, except for Bhutan, all three

countries - Bangladesh, India and Nepal - are suffering from the problem of energy shortage. KC opined and emphasised that the development of energy sector and expansion of transmission lines are necessary to avoid an energy crisis in the future. He also expressed promoting hydroelectric power from an environmental and economic point of view, besides the prioritisation and expansion of international transmission lines and international energy trade.

Despite being a mountainous country and having abundant water resources, Nepal was forced to suffer load-shedding of up to 18 hours a day due to lack of energy until six years ago. Recently, there has been improvement but electricity is not yet being delivered to homes in remote districts. He compared Nepal's case to Bhutan which has managed to provide electricity to villages and almost 99.97% of households. He added that for the past few years Bhutan has been selling its green energy to India. According to Bhutan's Richness Experiences in Cross Border Electricity Trade 2022 Report, currently Bhutan is exporting up to 75% of its total electricity production to India. The total electricity production is 117,715.31 gigawatt hours out of 155,925.81 gigawatt hours.

Meanwhile, hydropower has emerged as a major exportable commodity in Nepal during the rainy season. In the last five months from mid-July to mid-December, electricity worth Rs 7.5 billion has been exported from Nepal to India, while currently from mid-May to the beginning of December, 1,357 billion units of hydroelectric power worth Rs 11.163 billion, which was surplus after Nepal's internal consumption, has been exported to India. Similarly, Nepal Electricity Authority (NEA) has planned to export hydroelectric power worth Rs 16 billion to India this year and worth Rs 30 billion next year, KC informed and added, "We are now in the initial stage

of international electricity business and will join BBIN in the coming days. It is clear that there is a lot of potential and opportunity for international electricity trade between the countries."

He also mentioned that Nepal-India power partnership was started in 1971 to supply electricity to the districts in Nepal, near the Indian border when five megawatts of electricity was imported. Electricity was supplied through 132kV transmission lines of Uttar Pradesh, 33kV of Bihar and 11kV of Uttarakhand. Power Trading Corporation was the first Indian company that exported electricity to Nepal through Tanakpur - Mahendranagar 132kV transmission line on a commercial basis in 2008. Similarly, in 2014, both Nepal and India signed a power trade agreement which helped to facilitate electric power, international transmission line and grid connections without any problem.

In the current situation, last year Nepal imported 600MW of electricity from India and this year 400MW during the dry season while during the rainy season, almost 500MW of electricity was exported to India, NICCI Vice President KC said and opined that Nepal has the potential to increase the export in coming years. "700MW of electricity will be added in the coming year, while next year too, 1,000MW of electricity will be added during the rainy season, so it is certain that hydropower will be one of the main items exported from Nepal in the coming years," KC said and added, in order to ease the energy crisis in BBIN region, it is necessary to have mutual cooperation and solidarity among the countries of this region in the field of international electricity trade and transmission. He invited the government and private sector organisations and businesspersons in India, Bangladesh and other countries to invest in Nepal's hydropower projects.



Collective effort necessary to solve economic problems



Deputy Prime Minister and Minister of Finance, Bishnu Prasad Paudel, has said that collective effort is necessary to find solutions to problems that have surfaced in the global economy. While addressing the 'Finance Ministers Session' under the 'Voice of South Summit' virtually, he said that after Covid 19 pandemic subsided, there are signs of global economic recession and it is the right time to take a collective initiative to deal with it.

Minister Paudel mentioned that human development and economic growth go hand in hand and said, "Nepal is on the way to being upgraded from a least developed country by 2026. We are focused on advancing the agenda of a prosperous Nepal, happy Nepali."

For economic transformation, Nepal has given priority to sectors such as infrastructure, education, health services and social security and to achieve Sustainable Development Goals (SDGs) in the period from 2016 to 2030. He said that there is an annual financial shortfall of Rs 585 billion. Taking 2019 as the base year, it accounts for 12.8% of the GDP. The Finance Minister said the financial shortage may increase as this is an estimate before the Covid 19 pandemic. He opined that various forms of financial resources should be combined to make a useful tool.

He mentioned that Nepal maintained cooperative relations with bilateral and multilateral development partners and expressed his gratitude for their support in implementing Nepal's development plans and programmes. He thanked the Government of India for its continuous support

in the economic and social development of Nepal. He said that India has achieved great success in financial inclusion and digitalisation and is willing to learn from India's success story and implement it in the context of Nepal.

The Finance Minister apprised the session of Nepal's ongoing work to expand access to financial services and informed that programmes have been implemented to encourage the use of electronic financial services. He also said Nepal is preparing the National Financial Inclusion Strategy.

The finance ministers of 15 countries including Nepal, India, Sri Lanka and Colombia participated in the summit.

NRB Governor stresses reform in Nepali economy at IMF conference



Nepal Rastra Bank Governor, Maha Prasad Adhikari, participated in a conference titled 'South Asia's Path to Resilient Growth' organised by International Monetary Fund (IMF) in New Delhi, India, on January 6.

At the inaugural session of the conference, a book titled 'South Asia's Path to Resilient Growth' was launched. On the occasion, Deputy Managing Director of IMF, Antoinette Sayeh, summarised the book.

In the high-level policy panel discussion, NRB Governor Adhikari, as an expert speaker, mentioned that there has been significant progress in electronic payment transactions in Nepal after Covid 19 pandemic and opined that this has helped in enhancing transparency, good governance and prevention of money laundering. He stressed the need to take the imbalance seen in world geopolitics as an opportunity to take the country on the path of sustainable economic growth

through structural reforms of Nepali economy that depends on foreign exchange reserves, revenue and remittance.

In the closed group meeting held in the presence of IMF Deputy Managing Director, NRB Governor praised the New Delhi-based IMF training centre's role in the capacity development of the central banks of the SAARC countries and committed to providing necessary support to the IMF to make the capacity building and technical assistance more effective. Nepali Ambassador to India, Shankar Prasad Sharma, also expressed his opinion as an expert speaker.

In the inaugural session of the conference, Reserve Bank of India Governor, Shaktikanta Das, spoke as a special speaker and expressed his views on the current economic challenges being faced by the SAARC nations. He stressed the need for controlling inflation, external debt risk management, productivity growth, fuel security, and emphasised the importance of coordination to make the construction of green economy the policy priority of the SAARC region. The conference was attended by senior officials of IMF and central bank governors of the SAARC countries.

Coca-Cola successfully concludes Saksham training programme benefiting over 1,000 women



Coca-Cola has successfully concluded its Saksham training programme which reached over a thousand women entrepreneurs from small and medium scale businesses in retail and restaurants providing them a platform for empowerment and skill development.

'Saksham' was officially launched on March 8, 2022 (International Women's Day),

by Coca-Cola along with its bottling partner Bottlers Nepal Ltd with an aim to provide equal opportunities to compete in the marketplace. The Saksham programme was designed to build the capacity of women retailers and women-owned small restaurant owners on financial literacy, hospitality, sanitation management and use of digital wallet. The one-day training session was conducted across cities in Province 1, 2, 3 and 4.

Adarsh Awasthi, Country Director of Coca-Cola in Nepal shared, "At Coca-Cola, we believe in a better shared future, and women empowerment is core to our values. We launched the Saksham training programme in 2022 where we partnered with a proficient trainer to provide business skills training, mentoring networks, financial services and other assets to help women entrepreneurs improve their livelihoods, families and communities. We are happy that we have crossed our initial target of 1000 women entrepreneurs and will strive to further empower more women in the near future."

Diversity, Equity and Inclusion are at the heart of Coca-Cola's values and growth strategy and play an important part in the company's success. This can be reflected in Coca-Cola's various women empowering initiatives over the years. In 2010, Coca-Cola globally announced the ambitious 5by20 programme which aimed to enable the economic empowerment of five million female entrepreneurs across its value chain by 2020. Additionally, Coca-Cola in Nepal has also successfully conducted the STAR (Shopkeeper Training and Resources) programme to 5,800 women in retail during the past six years.

The initiatives also support the Nepali government's aim to achieve substantial gender equality by ensuring equal and meaningful participation of women as announced in the 15th National Plan (2019-2024).

Increase in agricultural production, access to market emphasised at SA Agri Summit



Stakeholders have emphasised the need to increase agricultural production and ensure access to the market in order to ensure food security in South Asia. During the first South Asia Agri Summit jointly organised by Bharat Subcontinent Agri Foundation (BSAF), TEFLA and Federation of Nepalese Chambers of Commerce and Industry (FNCCI) in Kathmandu, policymakers and businesspersons said that since non-customs barriers have started increasing in international trade recently, it needs to be reformed.

FNCCI President Shekhar Golchha said in the South Asian Free Trade Area (SAFTA), although there is an opportunity to expand trade between the countries of this region, there are problems with non-custom barriers in the export of agricultural products. Golchha opined that concessions should be increased within the country and easy access to the international market should be ensured for the smooth export of profitable goods from Nepal.

Sri Lanka's Minister of Trade, Commerce and Food Security, Nalin Fernando, said 40% of farmers in the South Asian region were marginal farmers and stressed that initiatives should be taken to increase their productivity and ensure a market. He mentioned the export cost of the agricultural sector is very expensive and many countries in this region import agricultural products. So, special efforts are needed to ensure food security. He also expressed his belief that the joint effort of South Asian countries will help ensure food security and increase farmer income.

Ahmed Bin Sulayem, Executive Chairman and CEO

of Dubai Multi Commodities Centre (DMCC), said South Asia can benefit from the Dubai market. He said that businesses based on blockchain and other technologies can be used to expand the agricultural market.

Toya Narayan Gyawali, Secretary at the Ministry of Industry, Commerce and Supplies, who was invited to the summit as a special guest, said discussions at the summit will help in promoting exports and investments and stressed the importance of prioritising investment. He opined that increasing investment will help in export promotion and import substitution. He also emphasised that all countries under SAFTA should reduce the items on the sensitive index to benefit and remove non-customs barriers. He said South Asia can become a superpower in agriculture if countries can increase the use of technology and remove trade barriers.

Confederation of Banks and Financial Institutions Nepal holds third AGM



The Confederation of Banks and Financial Institutions Nepal (CBFIN) held its third annual general meeting (AGM) on January 8 in Kathmandu. The AGM elected the Chairman of the Board of Directors of NMB Bank, Pawan Kumar Golyan, as President of CBFIN. A 15-member executive committee of CBFIN was formed. Bhoj Bahadur Shah was elected as Senior Vice-President, Rajesh Upadhyay as Vice President, Rajan Singh Bhandari as General Secretary, Tulsiram Agrawal as Treasurer, Kush Prasad Malli as Secretary and Prachand Bahadur Shrestha as Joint Treasurer. Other members elected include Upendra Keshari Neupane, Upendra Prasad Poudel, Lila Prakash Sitaula, Moti Lal Dugar, Radhesh Pant, Mahendra Kumar Goyal, Bharat Raj Dhakal and

Hirendra Man Pradhan.

During the AGM, President Bidya Devi Bhandari said that proper mobilisation of capital is essential for the economy to become self-reliant. "Building a self-reliant economy is the present need while promotion of small and cottage industries is equally important to boost domestic production," she said, adding that the development of entrepreneurship helps create jobs. She suggested that banks and financial institutions (BFIs) not stick to profit only but also pay heed to social responsibility. Proper mobilisation of capital from the banks would create a positive impact on development and employment generation.

Former Finance Minister, Yubaraj Khatiwada, opined that BFIs have made noticeable progress over a decade in Nepal. "People trust BFIs with their money. The BFIs have increased capital and progress has been made on the technological side too," he analysed. Khatiwada further said strict licensing policy, financial literacy and area-wise loan by BFIs have positive consequences. He suggested that BFIs increase the quality of loans rather than the size.

Nepal Rastra Bank Governor, Maha Prasad Adhikari, admitted that the national economy is witnessing the impact of the global economy and warned of challenges in the days ahead.

UEFA Champions League themed aircraft of Turkish Airlines in the skies

Turkish Airlines has designed a special aircraft for UEFA Champions League, one of the world's most followed sports events. Becoming the first airline to sponsor UEFA Champions League which will have its 2023 final in Istanbul, Turkish Airlines designed one of its Airbus A330 for the occasion. With its TC-JNM tail number, UEFA Champions League themed aircraft flew for the first time with its new makeover for the TK1821 Istanbul Airport to Paris flight

during the first day of the year.

Turkish Airlines Chairman of the Board and Executive Committee Prof Dr Ahmet Bolat stated: "We will host the 2023 finale of the UEFA Champions League in Istanbul as one of its official sponsors. We are pleased to be a part of this important event which will also take place during the 100th year of our republic. As this is one of the most significant sponsorships of Turkish sports history, our aircraft with the UEFA Champions League theme is a testament to our commitment to sports."

Soaring through the skies, the aircraft's application of its UEFA Champions League theme was completed by Turkish Technic in four days.

Laxmi Bank, Sunrise Bank sign MoU for merger



Laxmi Bank and Sunrise Bank have signed a memorandum of understanding (MoU) to undertake a merger between the two banks.

Raman Nepal, Chairman of Laxmi Bank, and Motilal Dugar, Chairman of Sunrise Bank signed the agreement amid a ceremony on January 9. The signing ceremony was attended by members of Board of Directors, major shareholders, Chief Executive Officers and executives of both banks.

Nepal Investment Bank and Mega Bank merge

Nepal Investment Bank Ltd (NIBL) has merged with Mega Bank Nepal. The merged entity started joint operation from January 11 under the new name 'Nepal Investment Mega Bank Limited' (NIMB). The bank has said it is committed to provide customers with the best services across the country through 296 branches, 60 extension counters, 277 ATMs and 109 branchless banking centres and hopes to receive continuous support in the days ahead.

NMB Bank concludes 27th AGM



NMB Bank held its 27th annual general meeting on January 9 in Kathmandu under the chairmanship of Pawan Kumar Golyan. The AGM approved the proposal to distribute 8.25% cash dividend (including taxes) on the current paid-up capital of the bank. The bank has earned Rs 3.29 billion net profit, collected more than Rs 186 billion in deposits and invested over Rs 182 billion loans till the end of the last financial year.

NMB Bank is currently providing its services through 201 branches, 138 ATMs and 11 extension counters.

Outreach bags two bronze at ECI Award 2022 in China

Outreach from Nepal bagged two bronze awards at the ECI Award 2022 in China in the category of Product and Model Innovation and Marketing Innovation. Outreach won these two awards for their advertising campaign works related to their key clients Ncell and Unilever Nepal. The winners for the Global ECI Awards 2022 were announced on December 30 which included winners from different countries besides China. The winners from three different categories – Product and Model Innovation, Metaverse Application Innovation and Marketing Innovation in Gold, Silver and Bronze segments were from Hong Kong, Switzerland/Italy, Canada, Nepal, USA, UK/Saudi Arabia, Brazil, Thailand, Taipei City, Austria and others.

The ECI Awards President, Lijun Jia (Dr. Owen) regretted inability to host the physical event like in the past due to recurrence of the epidemic in China. The ECI Awards was founded by IECIA (International

Entrepreneurs, Creatives and Innovators Association) and presents the global award in the arena of digital economy, which measures 'effectiveness of innovation' as the evaluation criteria. It recognises the most innovative achievements in the categories of business model, product, service, technology, marketing and management to encourage and inspire innovations applied in commercial and creative industries around the world.

Shahid Dharmabhakta National Transplant Centre celebrates 1,000 kidney transplants



Shahid Dharmabhakta National Transplant Centre (SDNTC) organised a programme on January 20 to celebrate 1,000 kidney transplants.

During his welcome address, Dr Pukar Chandra Shrestha, Executive Director of the centre, spoke about how the medical sector in Nepal had gone through a transformation whereby people can avail various medical services in the country itself. Dr Shrestha also spoke about the importance of people donating their organs to save others who are in dire need of organ transplant. He also informed the participants that the centre has been trying to expand its services beyond Kathmandu valley. He mentioned that a transplant centre has been opened in Pokhara and one will soon be opened within two weeks in Surkhet of Karnali Province. There are plans to open such centres in Hetauda, Province 1 and Madhesh Pradesh.

The programme was officially inaugurated by Prime Minister Pushpa Kamal Dahal as the chief guest.

On the occasion, Jhamak Shrestha, who had received a kidney from his father, thanked the centre and the doctors involved in his treatment. While speaking about his experience, he stated that it was time for hospitals to have more renal specialists in hospitals outside Kathmandu valley. Another patient, Sushita Thapa Magar, who had received a kidney from a brain dead person, expressed her happiness and thanked the SDNTC for saving her life.

Dr Roshan Pokhrel, Health Secretary and Chairman of the centre, applauded SDNTC for this milestone. He informed that the government has plans to establish such transplant centres in all seven provinces of the country. He also informed that the Shahid Dharmabhakta National Transplant Centre will also be expanded to include 500 beds. He stressed the need for more qualified medical doctors in the country.

Prime Minister Dahal congratulated the centre on achieving the milestone of 1,000 kidney transplants with 99% success rate and expressed his gratitude to Dr Shrestha for quitting a successful career in the United Kingdom and coming to Nepal to offer his services. He also affirmed that a land that had been provisioned for the centre would be handed over to the centre as soon as possible. The prime minister also suggested that following this success, it is time to look into liver transplants in the country. PM Dahal also declared that he would donate all his organs upon his death. Dr Shrestha gave him the donor card. Minister of Health and Population, Padam Giri, also pledged his organs after his death and the prime minister gave him a donor card.

Dr Kalpana Shrestha, Head of Department of Nephrology and Renal Transplant Medicine of the centre concluded the programme with a vote of thanks.

NCC welcomes NRB's decision to remove cash margin on imports



Nepal Chamber of Commerce (NCC) has said the economy will continue to operate progressively as Nepal Rastra Bank has removed the cash margin system. NCC had been lobbying with the central bank to remove the cash margin system imposed on imports for the past year.

In a press statement, NCC expressed its gratitude as NRB immediately scrapped the arrangement of cash margin on imports after it made suggestions to Deputy Prime Minister and Finance Minister Bishnu Prasad Paudel about the existing problems of the private sector at an interaction programme organised on January 18. Minister Paudel was chief guest at the programme organised by the NCC.

The private sector organisation has welcomed the revision of 'Working Capital Loan Guidelines, 2079' issued by NRB and extending it to June/July 2025. The chamber has suggested that both big and small debtors should be kept at 40% in working capital loans and single-digit interest rates should be maintained to achieve double-digit economic development.

It is also expected that the economy will accelerate if there is an increase in capital expenditure and interest rates can be controlled to make it effective for liquidity management. NCC has also suggested that 90.5 to 95.5% of the capital expenditure that has not been made at the central, provincial and local levels can be mobilised through banks and financial institutions to prevent liquidity crunch in the market.

7th Export Day: Emphasis laid on development of export-oriented economy



Stakeholders have emphasised the need to develop an export-oriented economy to balance the country's growing trade deficit and sustainable economic development. At a press meet organised on the occasion of the 7th Export Day, experts and stakeholders expressed their views towards achieving this goal through the joint efforts of the government and the private sector. At the programme jointly organised by Export Council of Nepal, Trade and Export Promotion Centre and Bhaktapur Chamber of Commerce and Industry on January 4, former Commerce Secretary, Purushottam Ojha, emphasised the importance of marketing along with diversification in the production of goods. He opined that the government should identify other items that have the potential to be exported to increase exports.

Trade and Export Promotion Centre Deputy Executive Director, Suyash Khanal and Export Council President Resham Bahadur Pokhrel talked about the challenges of the export market and ways to overcome it. Stakeholders demanded that issues of high airfare, cargo fare, lack of skilled manpower, lack of liquidity, high interest rates and procedural difficulties to get cash incentives that are currently hindering export growth be addressed. The council demanded that the government provide cash incentives to produce exportable goods and provide agricultural interest at subsidised rates to exporters and to end procedural hassles. They said that to make Nepali products competitive, various types of discount facilities should be provided for at least

ten years for export-oriented industries, and that Nepali embassies and diplomatic missions should play a role in promoting and advertising domestic products in various countries.

Government ready for policy reforms to manage remittances: Finance Minister Paudel

Deputy Prime Minister and Finance Minister Bishnu Prasad Paudel has said the government is ready for policy and legal reforms to manage remittances. Minister Paudel, while addressing the programme titled 'Remittance and Investment in Nepal' organised by Nepali Expatriate Forum America on January 21, said that the government is ready to provide necessary support to bring in remittance through legal channels and create a favourable environment for investment in the productive sector.

He said, "Since we have not been able to bring in a large part of remittances generated through legal channels, the government is ready to move forward with policies, decisions and incentive programmes regarding this." He opined that remittances could be invested in the productive sector, construction sector and others creating new employment opportunities.

Minister Paudel added the government is aware about the citizenship concerns raised by Non Resident Nepalis and said, "Arrangements made in the constitution for Non Resident Nepalis to obtain citizenship with economic and social rights will be moved forward to completion soon," and added more favourable conditions will be created to invest in Nepal.

On the issue of Foreign Investment and Technology Act treating Non Resident Nepalis as foreign citizens, he expressed his commitment to address the issue. "Nepali expatriates and Non Resident Nepalis have a great contribution to the economic development of Nepal," he asserted adding, "Not only from the point of

view of remittances but also for foreign investment, I expect every expatriate and NRN to play the role of Ambassadors of Nepal's goodwill. Nepal is a safe place for investment. It is a rewarding place. There is a request to convey that message to investors all over the world."

UNITRAV submits memo to TAAN; puts forward 15-point demand



The Union of Trekking Travels Rafting Workers Nepal (UNITRAV) has submitted a memorandum to the Trekking Agencies' Association of Nepal (TAAN) which specifies the organisation's 15-point demand including tourism workers salary increase, implementation of social security, immediate labour audit, workers registration in local bodies. UNITRAV has demanded that wages and facilities of workers should be increased based on the inflation rate and the increase in food prices as per the report issued by Nepal Rastra Bank (NRB) citing that wages and facilities of the workers have not been increased for a long time.

Further, the union has demanded that the accident and health insurance amount of mountain climbing workers and others working on foot trails should be increased by cent per cent as the risk is increasing day by day in the work area due to climate change.

UNITRAV President, Suman Prasad Parajuli, said they demanded that the workers should be registered with the local bodies and provided identity cards, and make arrangements in such a way that while recruiting new workers, only those who have been registered with local bodies should be employed.

After the implementation of the Labour Act, 2074, and Social Security Act, 2074, all workers must be listed at the Social Security Fund (SSF) and

employers should make regular contributions to the fund.

Likewise, the union of tourism workers has urged the umbrella association of trekking agencies to make the process easier for workers to obtain licences issued and renewed by the Department of Tourism. The organisation alleged that the Gandaki Province government had been arbitrarily collecting tax while renewing the licences of the workers, and suggested the tax should be either cancelled or paid by the employer/institution.

Other demands include making the labour audit mandatory in accordance with the provisions of the Labour Act and rules, and 30% increase in various services provided to mountaineering workers. The organisation has also asked TAAN to manage the waste in the mountains and trekking trails, and conduct public awareness programmes related to climate change.

World Vision International Nepal launches podcast series 'Stories of Innovations'



World Vision International Nepal has produced 11-episode podcast series – Stories of Innovation — in the podcast ecosphere. This innovative endeavour was disseminated through a national-level event organised on January 13 in Kathmandu in the presence of podcast guests, media persons, private sector representatives, members of peer organisations, government, donors, civil society organisations (CSOs), and like-minded organisations.

The podcast series features local as well as international innovation practitioners, leaders in the area of development, and other well-known faces from Nepal and beyond. The core focus of the podcast series is

to shed light on developments happening in the areas of humanitarian innovation across the world.

National Director of World Vision International Nepal, Roslyn H Gabriel said, "Through the podcast, the organisation aims to preposition World Vision as a thought leader in the space of humanitarian innovation, private sector collaboration, and social entrepreneurship." Moreover, the organisation has been successful in creating a synergy between various entities working in the space of innovation to come up with unique solutions that will aid the humanitarian cause.

A panel discussion was hosted which had Member Secretary of National Planning Commission, Kewal Prasad Bhandari; CEO of SOCHAI, Bonita Sharma; Founder of Smart Pani, Suman Shakya; and Co-Founder of Urban Girls, Nikita Acharya, as the panellists. The Stories of Innovation will be hosted for the global audience on podcast platforms including the official YouTube channel of World Vision International Nepal, Spotify and apple podcast channel.

Ghising of Seed Financial Academy tops world in ACCA exams



Ima Ghising, an ACCA student of Seed Financial Academy, has achieved a remarkable feat by topping the world in two ACCA papers in the December 2022 exams. Ghising scored an impressive 99% in Taxation and 86% in Audit and Assurance, outperforming thousands of other candidates from around the globe. She was ranked first globally out of 12,750 and

Hotel Royal Singi celebrates 25 years of service excellence in hospitality



Hotel Royal Singi is celebrating its 25th anniversary. To mark this momentous milestone, the hotel hosted a grand anniversary event on its premises amidst an elite list of invitees and trusted and loyal partners including travel and tour operators as well as corporate and business houses in attendance. The hotel began its journey in 1998 founded by tourism entrepreneur Tashi Ghale.

"Our 25th anniversary is a time to thank each and every one of our guests, associates and stakeholders who have made this milestone possible. I would like to express my appreciation and gratitude to all travel and trekking operators, airlines, business and corporate houses, banks and financial institutions, governing bodies and associations for their loyal support over the years," shared Ghale, Chairman, Hotel Royal Singi. "Now the focus is on the future. The lodging and travel industry offers tremendous opportunities over the long term and we are ready for the next 25 years and beyond."

Marking its 25 years of tradition, evolution and legacy, the hotel has launched several special new offers, amenities and programmes for guests under applicable terms and conditions.

With a long-standing reputation within the nation and the industry alike since its inception in 1998, Hotel Royal Singi continues to evolve and make necessary upgrades to all its rooms, amenities and services. Situated at a prime location with a well-trained service-oriented team, the hotel is suitable for all travel, business, expedition, transit or leisure. The hotel features 90 deluxe and executive rooms, five signature suites and four bespoke residences, three food and beverage outlets, and offers over five refined elegant events and meeting spaces.

11,788 students, respectively, in Audit and Assurance and Taxation.

ACCA qualification is widely recognised as a benchmark for professional competence in the field of accounting and finance, and is highly valued by employers in the industry.

"I am immensely proud and happy on this achievement, and this is a testament to the hard work and dedication of Ghising, as well as the quality

of education provided by the institution," said Ananta Gautam an ACCA Member and CEO of Seed Financial Academy.

Seed Financial Academy is Nepal's prominent ACCA learning provider of professional accountancy qualifications. Seed Financial Academy is a Gold Approved Learning Partner and also a Licensed CBE Centre of ACCA, UK.

FENEGOSIDA calls for inclusion of gold, silver business issues in five-year plan



Federation of Nepal Gold and Silver Dealers Association (FENEGOSIDA) has called for including the issues of gold and silver businesses in the government's five-year plan. A delegation led by FENEGOSIDA President Manik Ratna Shakya on January 25 met with National Planning Commission (NPC) Vice-Chairman Min Bahadur Shrestha and urged him to take initiative to include the issues of gold and silver in the government's plan. He also shared about the problems being faced by gold and silver businesspersons and sought solutions. He pointed out the lack of policies in the gold business and urged Shrestha to take necessary initiatives in this regard. He said if gold and silver can be included in the country's plan, it will benefit both the state and businesspersons. NPC Vice-Chairman responded with offering all possible support to deal with issues such as gold mining, export and import, transportation, management and training for smiths put forward by the federation. Representatives of FENEGOSIDA who attended the meeting included Vice President Diyes Ratna Shakya, Secretary General Dharma Sundar Bajracharya and Co-treasurer Padma Sundar Shakya.

Daayitwa graduates 12th cohort of public policy fellows



Daayitwa successfully organised a Fellowship Symposium to celebrate the graduation of the 12th Cohort of Public Policy Fellows and the inauguration of Daayitwa Nepal Public Service Fellowship (DNPSF) Alumni Council.

The Daayitwa Nepal Public Policy Fellowship 2022, which started from June 2022, successfully placed six Fellows selected from a record 200+ applicants trained in 15 countries, at three government host institutions, including Ministry of Communication and Information Technology, Ministry of Industry, Commerce and Supplies and National Planning Commission, and three parliamentarians including Gagan Thapa, Gokarna Bista and Kamala Roka. Over the six months, these youth researchers conducted evidence-based policy research and have submitted their policy findings and recommendations to their host institutions.

The symposium brought together stakeholders from public, private, and social sectors who discussed and recommended ways to strengthen youth-government relationships and promote evidence-based policy decisions which are the major aims of Daayitwa Fellowship. Daayitwa runs Nepal Public Policy Fellowship at the federal level and Nepal Public Administration Fellowship at the municipal level under the umbrella of Daayitwa Nepal Public Service Fellowship (DNPSF) programme.

Since 2013, DNPSF has supported 170 young Nepali public policy professionals, trained in 31 countries to conduct research projects for 74 public agencies and 25 parliamentarians at the federal, provincial and municipal levels across all seven provinces of Nepal. Marking the successful 10 years of the fellowship journey, Daayitwa has inaugurated the DNPSF Alumni Council to support its mission of promoting evidence-based policy research for an inclusive and enterprising Nepal. An ad-hoc committee has been formed to take forward the alumni.

Addressing the ceremony, Baikuntha Aryal, Secretary of the Ministry of Communication and Information Technology stated that the research done by the Daayitwa fellows has profoundly facilitated the work of the Nepal government and emphasised to increase the number of fellows. "It is our own responsibility to make the country better, we cannot rely on others to work on it. Therefore, if the Nepali youth, government, social, private and all other sectors work together, the overall governance system and style of the country can be improved."

Indian Embassy holds interaction on 'India-Nepal Startup Connect'

Stakeholders and experts have suggested that agencies should promote the connection of innovation-based startup ecosystems between Nepal

and India. At an interaction on 'India-Nepal Startup Connect' organised by the Embassy of India, Kathmandu, in association with the Confederation of Nepalese Industries Young Entrepreneurs Forum (CNIYEF) on January 24, speakers called for further

collaboration in financial technology and bringing together the startup ecosystems from both the countries.

The event focused on fostering a connect between Indian and Nepali startup ecosystems, according to a press statement issued by the Embassy of India, Kathmandu.



On the occasion, Governor of Nepal Rastra Bank, Maha Prasad Adhikari, said that 2023 will be the year for promoting the digital payment system and urged for further cooperation between Nepal and India on fintech. He said that cross-border payment and QR payment should be advanced as the potential area of further cooperation.

Speaking at the event, Naveen Srivastava, Ambassador of India to Nepal, emphasised the importance of digital public goods in enabling financial inclusion and startups. Likewise, Joint Secretary at the Ministry of Industry, Commerce and Supplies Babu Ram Gautam delivered a presentation on 'Startup Opportunities in Nepal'.

NCC submits 13-point suggestion to Minsiter Lingden; urges to revise PPA



A delegation of Nepal Chamber of Commerce (NCC) met with Deputy Prime Minister and Minister for Energy, Water Resources and Irrigation Rajendra Prasad Lingden on January 24. During the meeting, the NCC delegation led by its President Rajendra Malla emphasised the need to create an environment for the consumption and

export of energy by promoting investment under the Public Private Partnership (PPP) concept in the hydropower sector. Malla said, "Export of electric power is the only option to stop the expanding trade deficit. Nepal exports power worth around Rs 10.5 billion during peak season. There should be no delay in exporting power by promoting domestic investment in hydropower."

He stressed the need to end the policy problems in the construction of hydropower projects and expedite the construction of transmission lines. Malla urged the Energy Minister to formulate a policy to encourage the investment of remittance money in hydropower projects.

NCC officials also handed over 13-point suggestion to Energy Minister Lingden. The suggestions included easing rates in power purchase agreements (PPAs), ending hassles in land acquisition and extending the licence period among others.

NCC President Malla opined that the period of 35 years in the PPA should be extended to 50 years citing that the cost of construction of hydropower projects has been increasing day by day along with the cost of production per megawatt. He further mentioned the PPA rate of the completed projects fixed from Rs 2.92 to Rs 3.92 is very low and urged the minister to review the rate. NCC also urged the minister to allow the private sector in the electrical power business.

Minister Lingden said he was trying to increase public investment in hydropower development and shared that the government has planned to build projects like Dudh Koshi, Upper Arun and Budhi Gandaki through domestic investment. He informed that a tripartite agreement has been reached between Nepal, India and Bangladesh regarding the export of power from Nepal. He said the government has also drafted a policy to increase electricity consumption within the country to rally colleague

IIDE opens centre in Kathmandu offering digital marketing courses



Indian Institute of Digital Education (IIDE), one of the leading digital institutes in Asia, which helps learners transform their careers for a better future, has officially launched its centre in Nepal. The institute aims to run digital marketing courses, and provide certification and job placement services.

IIDE offers an 11-month Post Graduation Programme, a four-month Online Advanced Certification course and a one-week Online Short Certification course which is available in hybrid mode where professors and professionals present e-courses content and one-to-one classes according to the student's availability.

Karan Shah, Founder and CEO, IIDE, emphasised the importance of digital marketing, especially in today's job market. He said, "IIDE is a platform which ensures a placement along with effective learning for students. Those who are interested can enrol on a course at IIDE to enhance their skill set."

"Number of digital users has increased in the last two years during Covid 19 pandemic in Nepal, keeping it in mind, we want to focus on bringing the best people of the institute to train our students," Shah said and added anyone interested can join the institute but should be above 16 years.

Frontline Hospital offers special discounts to Sunrise Bank customers



Sunrise Bank has recently entered into an agreement with Frontline Hospital, Kathmandu to offer special discounts to the bank's customers. Vivek Kumar

Niraula, Head of Corporate Marketing at Sunrise Bank and Suresh Kumar Manoharan, Chief Operating Officer of the hospital, signed an agreement wherein customers of Sunrise Bank can get discounts on various services and treatment facilities at Frontline Hospital on payment through the bank's credit card, debit card or mobile banking. Sunrise Bank customers can get 13% discount on OPD services and bed charges at the hospital, 7% discount on OPD pharmacy and 5% discount on surgery service charges.

Norvic International Hospital starts kidney transplant services

Norvic International Hospital has recently started providing kidney transplant services. The hospital based in Thapathali, Kathmandu successfully completed kidney transplants on two patients. A 66-year-old man undergoing treatment for kidney failure was successfully transplanted with a kidney donated by his 55-year-old wife, and another 54-year-old man was donated a kidney by his 30-year-old daughter.

A team of experts and consultants led by Specialist Dr Rakesh Verma and Dr Rajendra Kumar Agrawal has been providing kidney transplant services at the hospital. Being a multispecialty hospital, solutions to other health problems before and after the transplantation are also available under one roof.

At a conference, the hospital informed it has also advanced the process of obtaining permission for expanding liver transplant services.

Norvic International Hospital has been providing world-class healthcare services since 1993. At present, the hospital is operating the country's first and only IVF (test tube baby) Centre with a genetic lab. The hospital has also been operating Norvic Cosmetic and Derma Centre equipped with state-of-the-art equipment for the past few months. Similarly, the hospital's urology team has been providing free consultation services on Saturdays.

NATTA participates in FITUR International Travel and Trade Fair in Madrid



A group of 18 leading Nepali travel agents recently participated in the FITUR International Travel and Trade Fair in Madrid, Spain, showcasing their tour programmes of Nepal to over 500 local travel agents and visitors. The programme was held from January 18 to 22.

The Nepali delegation was led by Nepal Association of Travel and Tour Agents (NATTA) President Ramesh Thapa and was coordinated by Treasurer Rajkumar Devkota with sub-coordinator Namaraj Bhetuwal. The delegation participated in the fair in collaboration with Nepal Tourism Board (NTB). Ambassador of Nepal to Spain, Dr Sharmila Parajuli Dhakal, officially inaugurated the programme. On the final day, the Embassy of Nepal organised a 'Nepal Night' for 30 Spanish travel agents and participants, providing an opportunity for them to interact with Nepali travel agents exclusively.

Honda announces '99 hrs offer', 'Re 1 offer' on Shine, Grazia

Syakar Trading Company, the authorised distributor of Honda two-wheelers in Nepal, has announced new schemes for Honda Shine and Honda Grazia. According to the scheme, any part that a customer orders for their Honda Shine will arrive within 99 hours. If it does not reach its customer within the specified time, the customer may pay any price that they wish. It is a guarantee of fast service with the convenience of cost as an alternative offer. As for Honda Grazia, owners of a new Honda Grazia may benefit from servicing and spare parts for three years, all at the price of only Re 1.

Cimex Inc delivers BYD ATTO 3 to Brand Ambassador Acharya



Cimex Inc, the authorised distributor of BYD Auto Industry Co in Nepal, announced the delivery of the BYD ATTO 3 to Hari Bansha Acharya. Acharya, the Brand Ambassador for BYD in Nepal, is known for his versatile acting skills and innovative ideas to incorporate meaningful messages into his work. He is also a change maker working on many social projects.

BYD ATTO 3 is the first sporty electric SUV in Nepal, a cutting-edge electric SUV that offers a dynamic driving experience and a sustainable solution to transportation. The vehicle is equipped with a powerful electric motor ultra-safe Blade Battery, the born EV platform (e-Platform 3.0) and a sleek, sporty design that sets it apart from its competitors. BYD ATTO 3 features fast charging from 0% to 80% in 50 minutes, a range of 420 km (WLTP) with a higher battery capacity of 60.48kWh, and a 0-100km/h acceleration in 7.3 seconds.

"We are thrilled to deliver the BYD ATTO 3 to Hari Bansha Acharya, who embodies our commitment to sustainability and innovation," said Yamuna Shrestha, Managing Director at Cimex Inc. BYD is committed to promoting sustainable transportation solutions and reducing carbon emissions in Nepal. The BYD ATTO 3 is the latest addition to its electric vehicle lineup, which includes buses, trucks, and cars.

BYD has delivered over 229,020 units (as of December 2022) of BYD ATTO 3 globally since its launch in February 2022 and is available in the Nepal market. BYD is a global leader in electric vehicle technology and renewable energy solutions. Founded in 1995, BYD has grown to become one of the world's largest manufacturers of electric vehicles and rechargeable batteries.

“A fire can cook the food and the same fire can burn a mountain. Remember the characteristics of a fire when you are angry.”



Shiv Kandel

Co-founder - The Urban Space &
Director of Sales & Market Development - Meroghar.com

A Teach For Nepal alumni who continued his association with the organisation for over six years since 2013, Shiv Kandel is the Co-founder of The Urban Space and the Director of Meroghar.com. “While with TFN, I explored new possibilities within Nepal as recruiter, fellow and independent visual communicator,” he shares, adding that this experience

helped him take up bigger challenges and seek multiple solutions through collective leadership.

During his time with TFN, Kandel says, he had the opportunity to travel to several districts and work with local communities which has helped shape the person he is today. “I was able to explore my country fully through my engagement with TFN and it changed the

way I see Nepal when it comes to nurturing possibilities,” he states.

Talking about Urban Space, Kandel says, “It is quite a revolutionary concept in terms of how homes are made and it has been designed under a philosophy inspired by boundary-less neighbours and open spaces.” Urban Space builds housing units which are earthquake-resistant

and technology-enabled in a way that fosters community building.

Kandel is powered by innovation and his need to learn and experience new things. He holds an MBA degree in Entrepreneurship Management and BSc in Physics. In this edition of **Business 360**, he talks about his list of top brands and what he has learnt from some of them.

Top 4 apps that you use the most

Naapi app, TikTok, YouTube and Google

3 destinations within Nepal you want to travel to

There are many places I would love to travel to within the country. For the moment, Dolpa, Everest Base Camp and Darchula top that list.

Women-run organisations you think deserve accolades

I really look up to Charu Chadha in the way she has been leading the magazines with her leadership. The magazines have set a benchmark in Nepal. Moreover, she also is involved in a couple of social initiatives which I think shows her values.

A startup that you think will ace later

Quite some time back, students of Kathmandu University had launched a project which can replace petrol and diesel being used in vehicles to make them electric and thus eco-friendly. I think this project could ace later if the experiment is successful and scalable as the world is moving towards electrical solutions.

An entrepreneur who inspires you

I do not have to look far and wide for my source of inspiration as Bipin Gaire, my business partner, has been like my guru, mentor, everything I would look for in a person. He has a broad vision and the way he sees possibilities in Nepal is something that continues to amaze me.

A non-profit business you want to contribute to

Having also been a part of the organisation previously it would definitely be the Teach For Nepal Alumni Association.

3 brands that you have learnt something from

Teach for Nepal:

Involving youths in a much-needed direction.

King's College: Adopting technology for research-based learning.

Jeep Nepal: Think fearlessly. Sell relentlessly.

The best work advice you have received

"A fire can cook the food and the same fire can burn a mountain. Remember the characteristics of a fire when you are angry."

How do you think we can support local businesses?

Digital media and technology for promotion among the audiences, and honest reviews from people.

Three things patrons can do to promote local business

Trust the innovation, promote goods via social media, don't seek free services.

Advice to aspiring entrepreneurs

Starting is always easy, what is hard is finishing what you started. Be a tough player if you want to be a good finisher.

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

Startups can bridge the gap among the people who live in the country and who reside outside. Startups are new possibilities for not only individuals but also for the nation's future. We need people who can see the future closer than the current reality. Startups are the ones! **B**

RAGE FITNESS

CARDIO KICKBOXING | MMA
FIGHT SHAPE | MUAY THAI
BODY COMBAT | SPINNING
TRX TRAINING | BODY PUMP
STEP IT UP AEROBICS | ZUMBA
BOXING | YOGA | BODY BUILDING
CIRCUIT TRAINING STRENGTH
TRAINING & CONDITIONING
PERSONAL TRAINING & GROUP
CLASSES



4411288

Central Plaza, Naxal | Email: ragefitness@live.com

“Along with women putting in extra effort to climb up leadership positions, conscious and concerted efforts are required from all stakeholders to create a foundation which enables women folks to bloom and achieve their potential. In the future, the discussion should not be around ‘women leaders’, but just ‘leaders’”



Pranu Singh
Head of Corporate Affairs, Brand & Marketing
Standard Chartered Bank Nepal

Armed with experience of 15 years in the banking sector, Pranu Singh leads the Corporate Affairs, Brand & Marketing team at Standard Chartered Bank Nepal. In this portfolio, she is responsible for planning, coordinating and implementing strategies for internal and external communications. She is also responsible for taking forward the bank's sustainability agenda through community sponsorships and donations, media relationships, and reinforcing the awareness of the organisation's brand in Nepal.

Singh maintains that she is highly driven in what she believes in and open to learning. She is also actively involved in Toastmasters and enjoys adventure sports, travelling, music and spending time with her family.

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

Choosing your battles wisely

After high school, I took a gap year. Though the concept of a gap year may have become somewhat of a norm now but for me back then it was unplanned and therefore I was very uncomfortable. The feeling then was that my friends and classmates would be moving ahead with their higher degrees and onwards to their professional careers whereas I would be left out in the 'race of life'. However, looking back now it was indeed the best life decision, albeit unintended, because that's when I learnt a lot of

life skills, moved countries, lived away from family, and garnered such life experiences that no degree could have ever taught me. When I came back to pursue my studies, the fresh perspectives helped me immensely and I eventually realised that there is nothing called the 'race of life'. At the cost of sounding prophetic, I truly believe the only race that you need to win is perhaps becoming better than you were yesterday.

Also, often, you tend to be tossed around by several issues that seek your attention and priority; you want to desperately manage it all, be it your work or personal life. You want to be there for anything and doing everything. But the fact remains that your time and energy are not limitless to effectively attend to each and every thing around you. I was once told 'Choose your battles wisely' and it resonated with me. Now, I find myself actively sieving out things which need my involvement or even reactions. I wouldn't say I have mastered the art and sometimes tend to have FOMO, but I am slowly getting there. It really helps prevent burn-out.

This too shall pass

I do have a magic mantra that I swear by that says, 'This too shall pass!' Whenever I find myself in extremely tough situations, I literally reiterate and repeat this phrase in my mind, and I think about the better days once this particular situation has passed. Gradually, the situation starts seeming trivial in the bigger scheme of things and life in general. I am also a firm believer in talking things out upfront and not sitting back brooding if there is something bothering me.

We tend to cling on to our past unnecessarily, holding grudges, seeking reprisal, thinking of what someone said about you the other day, and letting your past affect your future. I was fortunate to have

Statistics prove that companies with female leaders do better than those without. However, the fact remains that women occupy only 8.8% positions in Fortune 500 companies as of 2022 so the issue of the backlog in women leadership is not specific to smaller countries like us, but it is widespread even in developed nations.

the awakening to be forward-looking early on in my life and be decisive enough to let go of past baggage! It has worked wonders for me and made me calmer to focus more on the future.

Women leaders do better

Based on research and evidence over the years, I think the debate over if women make good leaders is over. Statistics prove that companies with female leaders do better than those without. However, the fact remains that women occupy only 8.8% positions in Fortune 500 companies as of 2022 so the issue of the backlog in women leadership is not specific to smaller countries like

us, but it is widespread even in developed nations. Therefore, along with women putting in extra effort to climb up leadership positions, conscious and concerted efforts are required from all stakeholders to create a foundation which enables women folks to bloom and achieve their potential. In the future, the discussion should not be around 'women leaders', but just 'leaders'.

A firm believer of Karma

A healthy body, a healthy mind, a healthy ecosystem of relationships, not having to think twice before purchasing things that you need and sleeping peacefully at night. I am a firm believer in 'Karma' – what you do comes back to you in some form. Be it my own life or learning from the experience of others, I have witnessed that life has strange and funny ways of coming back to you hence

at every step of one's life, we have to be careful of how we treat people around us and how genuine we are.

Challenges are indispensable

I have been in the banking sector for nearly 15 years now. Fortunately for me, I have been associated with an organisation that knows how to take care of its people and therefore I can only think of good things to say about my professional journey. Of course, there have been many challenges and lows but that's an indispensable part of one's learning curve. Talking about the overall banking sector, it's great to witness the advancement particularly in the digital space, increasing focus on risk management, improvement in operating models, and heightening awareness of the need to treat workforce as humans and not machines. **B**

CHOOSE A HEALTHY LIFESTYLE BECAUSE YOU BELIEVE IN IT



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

Many people set fitness goals based on current trends, a style icon they appreciate, peer pressure, what they think their special someone would like them to look, etc. Nothing wrong with it if it gets you to exercise in an effective and regular way, but if you are pushing yourself to do something that is not what you really want, you are not going to last in the gym. In fact, chances are that you will struggle with not just exercise but also self-esteem issues. You are likely to get into spurts of exercise, change your diet randomly, maybe see some result, put on more weight, face health issues, and simply struggle to keep going.

I also often come across people who share that they just can't find the motivation. They know why exercise is good for them and

they know what they need to know, they even sign up for classes, and then it's just gone. The intent is there but the action is not. And I always say, set goals that reflect what you want and not what you think you should want.

Choose a healthy lifestyle because you believe in it. Eat consciously. Live with awareness. Choose things that are actually good for you. Temptations will always be round the

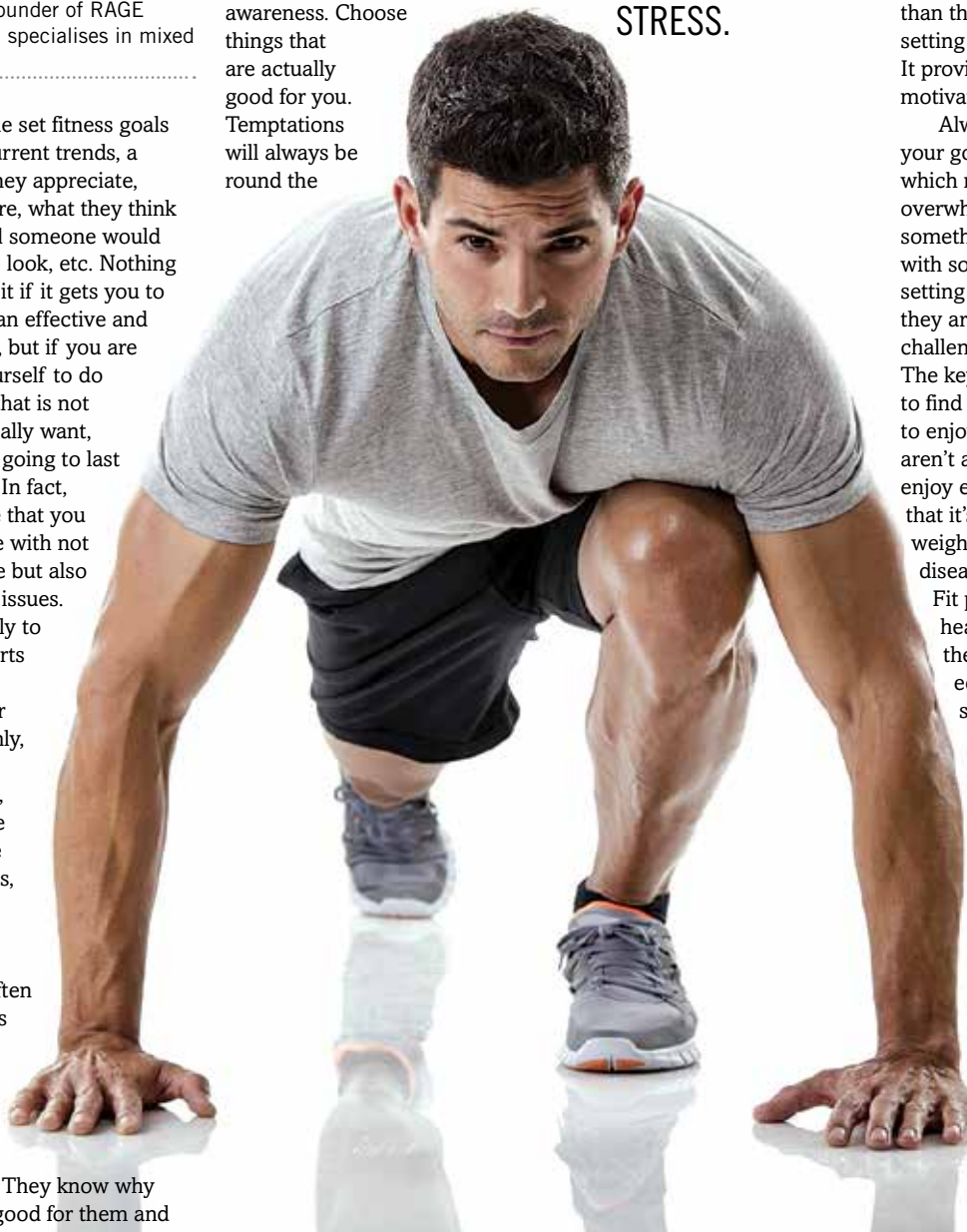
FIT PEOPLE ARE NOT JUST HEALTHIER AND STRONGER BUT THEY ARE HAPPIER AND BETTER EQUIPPED TO COMBAT STRESS.

corner, it's okay to indulge once in a while but to choose to live in a way that harms your body and your mind is something I fail to understand.

To get started and to stay on an exercise plan, set goals. It's the most important aspect of your fitness routine. People who set goals have a far better chance of achieving them than those who do not. Goal setting helps your performance. It provides you direction, motivation and progression.

Always make sure your goals are real to you which means that it doesn't overwhelm you but feels like something you can achieve with some effort. When you are setting fitness goals ensure that they are specific, time bound, challenging but achievable. The key is to be sensible and to find a balance. It also helps to enjoy what you do. If you aren't already there, learn to enjoy exercise. Understand that it's not just about losing weight or overcoming a disease, fitness is an attitude. Fit people are not just healthier and stronger but they are happier and better equipped to combat stress.

Good nutrition and regular exercise have huge benefits. With summer around the corner, it's time to put on the running shoes. **B**



vianet

via**TV**

ULTRA-Fi

Ultra **Performance**. Ultra **Value**

200 Mbps

Internet @ Rs. **999**/mo*

+

via**TV** @ Rs. **150**/mo*



Scan for more info



#LagataarConnection



AMIT AGRAWAL
CO-FOUNDER & DIRECTOR, KHALTI

“We have been able to create jobs for 70,000 Khalti Agents and 300+ team members. We had many ups and downs and many challenging situations. However, our team never stopped believing and today, we serve more than three million Nepali people. These are our accomplishments, as a team.

Committed to the vision of building the IT ecosystem in Nepal, Amit Agrawal, the Co-Founder and Director of Khalti Digital Wallet is also a mentor, facilitator, speaker and organiser.

Agrawal believes that technology-driven solutions can simplify life and help in the development of the country. He believes that there are ample opportunities in the country and with the right people and policies in place, Nepal can become a centre of innovation.

Agrawal is also Founder of Janaki Technology (Sparrow SMS), the leading VAS provider in Nepal along with leading the Google Business Group (GBG) community. He was awarded the Entrepreneur ICT Award in 2019.

In this edition of **Business 360**, we spoke to Agrawal about what leadership means to him. Excerpts:

What's your definition of a leader?

A leader is someone who can bring the best version of its team members through coaching, nourishing, empathy and gratitude. Leaders lead by example to get things done by its team. Most importantly, leaders are those who can build more leaders and master delegations and escalations within a team.

Is leadership in-born or acquired?

I think it's a blend of both. Few qualities are inherited

while most of it depends upon a person's upbringing and enabling environment. You become an average of the top five persons you hang out the most with.

Who comes to your mind as an ideal leader?

My business partner, Manish Modi, is an ideal leader for me.

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

There was a situation when we were going through a bad time. Personally also I had a turmoil in my life and at the same time Khalti's financial situation was bad. Users and business volume was declining too. It was extremely difficult to balance work and personal life and also to keep the brand name alive and the team motivated. It was hard finding investors in Nepal and we were out of cash already. We hustled a lot and by the grace of God and our well-wishers, we were able to raise funds and also upgrade our product and the brand, and we were back in the competition. I think this situation was tough and being in a leadership position in the organisation, it was very challenging for me.

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

It is very important. However, when we join a

team, we also become a part of the team. Hence, we are the team and the team will be our reflection only. Hence, if we are not a part of the solution, we are the problem. A good team is built over time through purpose, courage, empathy and gratitude.

When should a leader hand over the leadership position?

When they have built a strong leader under them and are confident that the core values, respect and integrity is well cascaded.

What changes has the business made after Covid 19?

We learnt a lot of new techniques and the way work is done has changed tremendously. New terms like Work from Home or Zoom Meeting became very common. It helped us grow our Khalti Digital Wallet business as digital payments transformed from a luxury to a need. Covid also helped us realise how important our home and health are.

How have your leadership qualities contributed to Khalti or your career?

More than me contributing to Khalti, I think Khalti has contributed to me. I exist because Khalti (or for that matter Sparrow SMS) exists, and that's my identity. I got to learn a lot from my co-founders, investors and team members.

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

Both our products, Sparrow SMS as well as Khalti have made life easy for millions of Nepalis and are recognised brands throughout the nation. At the same time, we have been able to empower a lot of girls through our Smart Chhori Programme. We have been able to create jobs for 70,000 Khalti Agents and 300+ team members. We had many ups and downs and many challenging situations. However, our team never stopped believing and today, we serve more than three million Nepali people. These are our accomplishments, as a team.

How can a leader prepare for the unknown?

We should not fear the unknown. However, we should always empower our team and build their skills. We should promote innovation and a culture of open sharing. We must learn from our past mistakes and have faith in ourselves no matter how difficult the time may be. It will pass if we stand still, firm and strong as a team. **B**



**GET
MORE!**
OUT OF YOUR BUSINESS



YETI CLOUD
PaaS by DataHub



नेपालको आफ्नो

Cloud Service Provider

info@datahub.com.np 977-1-5322032, 5347304

AGED **12** YEARS

BLENDED SCOTCH WHISKY

A fine blend of single malts and grain whiskies from across Scotland, experience our new triple cask-matured whisky with flavours of vanilla, caramel, dried fruits, and peaty notes.



f OLDDURBAR

o OLD - DURBAR



A CLASSIC ICON RETURNS

With its unique Broad Arrow hands and tachymeter scale on the bezel, the Speedmaster '57 is emblematic of the first, revolutionary Speedmaster that was launched in 1957. For the latest update, OMEGA has lifted the vintage spirit to another level, with slimmer styling, extraordinary colour, and a Co-Axial Master Chronometer engine that takes precision to the next gear. This enduring watch is a front seat companion for George Clooney, and represents the original, timeless look of the Speedmaster line.



SPEEDMASTER '57
Co-Axial Master Chronometer

Ω
OMEGA

AVAILABLE AT:

REGENCY WATCH: Annapurna Arcade, Durbar Marg
1 Durbar Mall, Thamsherku Center, Durbar Marg • MGA International Pvt Ltd